

## MAINE

Joseph Otto Fisher, Lewiston.

## MINNESOTA

Louis M. Larson, Alberta.

Arthur J. Schunk, Minneapolis.

Tollef P. Anderson, Thief River Falls.

## MONTANA

Helen P. Gibb, Belton.

John M. Evans, jr., Butte.

## NEW MEXICO

John P. Milner, Anthony.

## NEW YORK

Fred C. Conrad, Saranac Lake.

## NORTH CAROLINA

Byron J. Luther, Enka.

## NORTH DAKOTA

Ellis R. Dennison, Neche.

## UTAH

George A. Murphy, Spring Canyon.

## VERMONT

Burton N. Sisco, Brandon.

## WEST VIRGINIA

Mary L. Lilly, East Beckley.

## WISCONSIN

Almer E. Adams, Minong.

John F. Coulter, National Home.

## REJECTION

*Executive nomination rejected by the Senate November 20 (legislative day of October 30), 1929*

## POSTMASTER

## MONTANA

Albert C. Gruwell, Dillon.

## SENATE

THURSDAY, November 21, 1929

(Legislative day of Wednesday, October 30, 1929)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	George	Kean	Shortridge
Ashurst	Gillett	Kendrick	Simmons
Barkley	Glass	Keyes	Smith
Bingham	Glenn	La Follette	Smoot
Blease	Goldsborough	McCulloch	Steiwer
Borah	Greene	McNary	Stephens
Bratton	Hale	Moses	Swanson
Brock	Harris	Norbeck	Thomas, Idaho
Broussard	Harrison	Norris	Thomas, Okla.
Capper	Hastings	Nye	Townsend
Connally	Hatfield	Oddie	Trammell
Copeland	Hawes	Overman	Tydings
Couzens	Hayden	Patterson	Vandenberg
Cutting	Hebert	Pittman	Wagner
Dill	Heflin	Ransdell	Walcott
Fess	Howell	Sackett	Walsh, Mass.
Fletcher	Johnson	Sheppard	Waterman
Frazier	Jones	Shipstead	Wheeler

Mr. NORBECK. My colleague the junior Senator from South Dakota [Mr. McMASTER] is absent on account of illness in his family. I would like to have this announcement stand for the day.

Mr. SHEPPARD. I desire to announce that the Senator from Arkansas [Mr. CARAWAY], the Senator from Montana [Mr. WALSH], the Senator from Indiana [Mr. ROBINSON], and the Senator from Wisconsin [Mr. BLAINE] are necessarily detained on business of the Senate.

Mr. BROCK. I wish to announce that my colleague the senior Senator from Tennessee [Mr. McKELLAR] is detained from the Senate as a member of the special committee of the Senate attending the funeral of the late Secretary of War.

Mr. SHEPPARD. I wish to announce that the Senator from Iowa [Mr. STECK] is necessarily detained from the Senate on official business.

I also desire to announce that the Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Seventy-two Senators have answered to their names. A quorum is present.

## THE JOURNAL

Mr. JONES. Mr. President, I ask unanimous consent for the approval of the Journal of Monday, November 18, Tuesday November 19, and Wednesday, November 20, 1929.

The VICE PRESIDENT. Without objection, it is so ordered.

## ORDER FOR RECESS

Mr. SMOOT. Mr. President, I ask unanimous consent that at the conclusion of to-day's business the Senate take a recess until 10 o'clock to-morrow morning.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

## HON. WALTER E. EDGE, AMBASSADOR TO FRANCE

A message was communicated to the Senate from the President of the United States by Mr. Hess, one of his secretaries.

Mr. BORAH. Mr. President, I ask that there be laid before the Senate the nomination of Hon. WALTER E. EDGE, to be ambassador to France.

The VICE PRESIDENT. The clerk will announce the nomination.

The legislative clerk read as follows:

To be ambassador extraordinary and plenipotentiary to France, WALTER E. EDGE, of New Jersey.

Mr. BORAH. Mr. President, following the usual custom in such matters, I ask unanimous consent that the nomination be confirmed without being referred to a committee.

The VICE PRESIDENT. Is there objection? The Chair hears none. The nomination is confirmed, and the President will be notified.

## CLAIMS AGAINST UNITED STATES GRAIN CORPORATION

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Commerce, transmitting, in further response to Senate Resolution 98 (submitted by Mr. NYE and agreed to June 18, 1929), information relative to claims against the United States Grain Corporation, etc., which, with the accompanying papers, was ordered to lie on the table.

## PETITIONS

The VICE PRESIDENT laid before the Senate a communication from the executive secretary of the National Council for the Prevention of War, embodying a resolution adopted by the executive board of that council, relative to a resolution of the National Patriotic Association at Chicago, Ill., stating, in part, that the National Council for the Prevention of War welcomes an investigation of any and all of its activities and sources of income, which was referred to the Committee on the Judiciary.

Mr. BINGHAM presented resolutions adopted by Sidney Beach Auxiliary, No. 11, U. S. W. V., of Branford, Conn., favoring the passage of legislation granting increased pensions to veterans of the Spanish-American War, which were referred to the Committee on Pensions.

He also presented a letter in the nature of a petition from the Nathan Hale Parent-Teacher Association, of New Haven, Conn., which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

NEW HAVEN, CONN., November 13, 1929.

The Hon. HIRAM BINGHAM,

United States Senate, Washington, D. C.

SIR: The Nathan Hale Parent-Teacher Association of New Haven, local unit of the Connecticut Congress of Parents and Teachers, a branch of the National Congress of Parents and Teachers, urges the passing of the Brookhart bill, No. 1103, to do away with the block system of motion-picture distribution; i. e., the necessity of the exhibitor having to buy his pictures in blocks of 17 or 24 or 31, as the case may be, thus accepting the poor pictures in order to get the good ones, or "buying blind." Our interest in this bill is but a part of our campaign for better motion pictures.

Yours very truly,

THE NATHAN HALE PARENT-TEACHER ASSOCIATION,  
ALMA MAC TANNY, Secretary.

Mr. THOMAS of Oklahoma presented petitions of sundry citizens of the State of Oklahoma, praying for the passage of legislation granting increased pensions to Civil War veterans and their aged widows, which were referred to the Committee on Pensions.

## TARIFF ON NAPKINS AND TABLE LINEN

Mr. WALSH of Massachusetts. Mr. President, late last evening, just before the recess, we had under consideration paragraph 1014, which related to a duty upon napkins and table linen. I have here a letter from a leading merchant dealing in napkins and table linens, which I ask to have inserted in the

RECORD and lie on the table. The letter tends to show that the Senate committee amendment, which was happily rejected, would have placed a very heavy burden upon what the merchant characterizes as the working and middle classes because of the heavy duty that it sought to impose.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

NEW YORK, N. Y., November 18, 1929.

HON. DAVID I. WALSH,

United States Senate, Washington, D. C.

DEAR SIR: Some two months ago we wrote you a letter in regard to the proposed changes in tariff on certain numbers of linens. I inclose you a copy of these paragraphs to refresh your memory, and wish to call your attention again to the fact that these changes will not be of any use to any manufacturer in this country, as there are practically none of these articles manufactured here and no mills that are fitted up to make them.

In paragraph 1009 the present tariff reads, "Weighing not less than 4½ ounces," which gives us a cloth on a 35 per cent duty that is of some intrinsic value. A cloth of less than 4 ounces is of no intrinsic value, and if put on the market would be simply a waste for anyone who purchased it.

Paragraph 1011 carries practically the same cloths, and deals with the same articles.

Paragraph 1013 advances table damask 5 per cent. Linen table damasks are not made in this country nor anything that takes their place, therefore this is penalizing the people and not protecting any manufacturer.

Paragraph 1014 reads the same as the duty now, but since this was written we understand that the Senate has changed this to read that the duty on towels and napkins of flax, hemp, or ramie, containing more than 120 threads and not more than 160 threads to the square inch, is increased to 55 per cent.

Here again this class of merchandise is not manufactured in this country. Napkins are made of the same material as table damask, which in paragraph 1013 is only to be advanced 5 per cent. In a great many cases these napkins match the tablecloths and table damasks in pattern.

The napkins and cloths between 120 and 160 threads are the goods that are used by the great majority of the people—goods counting over 160 threads come into the luxury class. Why you should penalize the workman and the middle classes and leave the duty on luxuries as it is, is not quite understandable.

We hope you will use your best influence to see that these paragraphs are left as they are now, as the duty now is more than it should be, as it does not protect any American manufacturers.

Yours very truly,

FARLEY HARVEY CO.,  
CHARLES E. HOES,  
Vice President.

#### REDUCTION OF TAXES AND RURAL SCHOOL DEVELOPMENT

Mr. NYE. Mr. President, a recent Associated Press dispatch, under date of November 15, conveys the following information:

GRANGE OPPOSES MELLON'S TAX CUT—INTRODUCES RESOLUTION ADVOCATING USE OF SURPLUS FOR RURAL SCHOOL DEVELOPMENT

(By the Associated Press)

SEATTLE, WASH., November 15.—Criticizing the action of Secretary of the Treasury Andrew Mellon in recommending a \$160,000,000 income-tax cut, a resolution introduced on the convention floor of the National Grange here to-day advocated the use of such a surplus for rural school development.

Such money, it was argued, should be apportioned according to population throughout the rural districts of the Union for school purposes. This plan not only would relieve the farmer of a considerable portion of his taxation but would bring the Federal Government into educational work in a manner similar to its activities in road construction.

I want to call attention to the fact that there have been introduced in the two Houses of Congress companion bills—House bill 2570, by Representative CHARLES BRAND, of Ohio, and Senate bill 1491, by myself; and I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the bill (S. 1491) to aid in the reduction of taxes on farm lands and to promote elementary education in rural areas of the United States, and to cooperate with the States in the promotion of these objectives, which was introduced by me in June, and also a radio address delivered by Representative CHARLES BRAND, of Ohio, in Chicago some days ago.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

S. 1491

(Introduced by Senator NYE June 4 (calendar day, June 12), 1929, and referred to the Committee on Education and Labor)

A bill to aid in the reduction of taxes on farm lands, and to promote elementary education in rural areas of the United States, and to cooperate with the States in the promotion of these objectives

Be it enacted, etc., That there is hereby annually appropriated for a period of two years, out of any money in the Treasury not otherwise appropriated, the sum of \$100,000,000, to be paid to the States for the purpose of cooperating with the States in paying the salaries of teachers, supervisors, and principals, and other current expenses of elementary schools in rural areas, as hereinafter defined.

SEC. 2. That in order to secure the benefits provided for in this act any State shall, through the legislative authority thereof, accept the provisions of this act and designate the State director of education or State superintendent of public instruction, or the person in a capacity corresponding to this position, as the State instrumentality to cooperate in the execution of the provisions of this act. In any State in which the legislature does not meet in the year 1930 the governor of that State, so far as authorized to do so, shall accept the provisions of this act and designate the State director of education or State superintendent of public instruction, or the person in a capacity corresponding to this position, to act in cooperation with the Department of the Interior, and the Department of the Interior shall recognize such local authority for the purpose of carrying out the provisions of this act.

SEC. 3. That the said appropriation shall be allotted to each State in the proportion which the rural-school population of that State bears to the total rural-school population of the United States, not including outlying possessions, according to the census of 1930 or to figures provided by the United States Census Bureau for the current year. The Department of the Interior is directed to prepare and establish a basis of distribution according to this principle.

SEC. 4. That for the purposes of this act "elementary education" is defined as consisting of grades 1, 2, 3, 4, 5, 6, 7, 8, and 9, however organized; and "rural" is defined on the basis of the United States census definition of "rural," as used in the census of 1930; and "rural-school pupils" shall be defined as including all children between the ages of 7 and 14, inclusive, as shown by the United States census of 1930, for the rural area as defined by this census.

SEC. 5. Any appropriation of such Federal aid to the State shall be contingent upon the State providing an equal sum out of the State treasury for the purpose of this act. Each State may have a plan for the administration of the Federal aid provided in this act, subject to the approval of the Secretary of the Interior as to whether such plan is deemed to be economical and efficient.

SEC. 6. This act is to be administered by the United States Department of the Interior.

#### RADIO ADDRESS BY CHARLES BRAND OF OHIO OVER THE NATIONAL BROADCASTING SYSTEM IN CHICAGO

Representative BRAND spoke as follows:

"The Federal aid rural school bill (H. R. 2570) was introduced in Congress on May 6, 1929, appropriating \$100,000,000 per year for the benefit of rural elementary schools, each State providing an amount equal to its proportion of the total and distributed in proportion to the number of farm school children in each State compared with the total farm school children in the United States.

"The wealth of the United States has increased, accumulated, and piled up beyond the dreams, fancies, and descriptions of Robert Louis Stevenson and Alexander Dumas.

"The Count of Monte Cristo and even Solomon in all his glory are as a tallow candle compared with the power and wealth of the modern giants of big business to be found in hundreds of offices in our large cities, holding the reins of modern business and driving at a mad pace.

"The income of all of our people in 1912 was \$33,000,000,000, in 1920 it was \$70,000,000,000, and in 1928 President Hoover referred to a people with \$90,000,000,000 per year income.

"These figures mean very little because they are beyond comprehension, but when we say there are about six times as many automobiles in the United States as there are in the rest of the world, we get a comparison. We are buying all kinds of merchandise on a basis and in quantities similar to our automobile purchases, so that our commerce within our own States exceeds the rest of the commerce of the world.

"All of this is very wonderful for those who are in the current of this stream of riches but it is extremely difficult for those of our own citizens who are not so fortunate and I want to talk about one-third of our population who have not enjoyed their fair share of this wealth.

"Our agricultural lands are worth to-day, in a State like Ohio, less than they were 50 years ago. This is because the income from that land will not buy what it would 50 years ago. During the last 10 years it has taken about twice as much corn and oats and wheat to buy a binder or lumber, farm machinery, fencing, labor, or taxes than



It took before the World War; this cuts the income from land in two and reduces its value in proportion.

"The result of this situation is that the children grown in the country leave the farms and go to the cities where this wealth flows in sparkling attractiveness, and the parents of these children are ambitious for them and want them to have the best opportunity in the world, but before the children can grasp these modern-day city opportunities they must be educated, and education to-day is very expensive. I can not give you all of the data for the various States, but in Ohio 11 times as much is spent for education as it was 30 years ago.

"In a small portion of the farming sections of the country, educational facilities have advanced on a par with the facilities of the cities. The 'little red schoolhouse' has become a thing of the past and the modern consolidated school covers an acre of ground and boasts a corps of teachers from the elementary to the high-school grades unsurpassed in any city, and enjoying gymnasiums, auditoriums, and unexcelled vocational departments, and in addition we find motor trucks hauling the children long distances with as many motor drivers as there are teachers in the school.

"All of this summed up in the year's account shows that such rural schools cost per pupil is about twice the cost of similar facilities in the cities, but industry in the cities is demanding educated children.

"Parents in the country have voted bond issue after bond issue in order to provide those facilities, and to-day the declining value of land and the comparative income of land is challenging the power of the country people to continue such a program. Yet industry is reaching out its hand more and more for this raw human material and demanding more and more the educated type.

"I am informed by the Agricultural Department in Washington that about 200 children leave each county in Iowa for the city annually. Educators have estimated for me the cost of educating each one of these children up to 18 years of age, and I find that it costs \$2,000 for each child. In addition, that child is reared by its parents at a cost of not less than \$2,000 more for its upkeep during the 18 years, or a total cost of \$4,000 per child, and this means that \$800,000 worth of boys and girls are leaving each of the counties in Iowa each year for the cities, and the doors close behind and the country sees them no more. If this is occurring in Iowa, it is likewise occurring throughout most of the rural counties in the United States.

"Agriculture has complained about the price of grain and livestock, but here the greatest product of the farm is contributed for nothing to the cities. Is this an abiding condition that we must meet and contend with?

"I venture to say the United States has just started on its conquest of the world from a commercial standpoint and that industry will demand these children from the country in ever-increasing numbers each year.

"This is only one of the sources of exhaustion of the wealth of the country. Chain stores are sending profits out of the rural communities every night to a limited number of centers. The exchange of high-priced city products for low-priced country products piles up the profits of the exchange in the industrial centers. Our factories in the smaller cities in the Nation have, for the most part, whenever they are worth while, been purchased and merged and are now owned in a few of the industrial centers of the country and the profits are taken there and are no longer subject to taxation in the rural sections of the country.

"As proof of these conditions I have investigated the income-tax returns from the various States.

"One State pays one-third of all the income taxes.

"Four States pay one-half of all the income taxes.

"Eight States pay three-fourths of all the income taxes.

"Forty States pay one-quarter of all the income taxes.

"How is education to be maintained in the rural sections where the children are if the wealth is to be piled up elsewhere?

"How are you to tax property that has escaped from the rural districts?

"'Home rule' is a fine phrase that became very popular when wealth was about equally distributed. 'State rights' still has the ring of bygone days but how are 40 States to collect taxes from wealth that has escaped into 8 States?

"The children are located in about reverse ratio to the location of the income-bearing wealth of the country. That is, about three-fourths of the children are in the 40 States that have only one-fourth the income-bearing wealth.

"The United States Government can tax this wealth that is accumulating and coagulating in a few of the centers of this Nation and send it back to the rural districts from which it came for the purpose of educating children, imperatively needed to-day by industry and there is no other power that can reach this situation.

"Who will be benefited by accumulating this wealth in a few centers and not permitting it to be used for the education of our children where the wealth is not sufficient to provide adequate facilities?

"What will be the measure of our future success as a nation?

"Our natural resources are basic in importance but if we have not the kind of people produced in the United States to make the most of those natural resources we will fail in meeting our opportunities.

"After all, the real wealth of a nation is represented in the greatest degree by the kind of individuals we are producing.

"If industry is to capture the markets of the world, she will only do it with trained, intelligent, educated help and that help, to a very large degree, will come from the rural districts, and the rural schools to accomplish their purpose must have Federal aid.

"After the introduction of this Federal-aid rural school bill by CHARLES BRAND of Ohio in the House and by Senator GERALD P. NYE in the Senate the reaction from the country showed positive strength for the measure.

"Some of the outstanding indorsements are as follows:

"The American Farm Bureau Federation passed the following resolution at a meeting of their directors held in Chicago:

"Motion, Mr. O'Neal: Recognizing the fact that costs of rural education are now excessive and are constantly increasing, and, furthermore, realizing that many of the young people educated in rural communities are going into urban centers, there to contribute substantially to the welfare of the community at large, we feel that the time has come when the Federal Government should actively participate in financing adequate educational opportunities in rural districts. To that end we are in favor of legislation of the type represented by bill recently introduced in Congress by Congressman BRAND of Ohio.

"Seconded by Mr. Palmer. Carried."

"The National Grange issued a bulletin, from which we quote:

"The Brand bill incorporates into workable enactment the grange demand in behalf of rural education, and the proposal will undoubtedly furnish one of the most interesting questions with which the present session of Congress will have to deal. Meanwhile granges in all the States are taking up the question for further discussion and will apply the full force of the organization toward some enactment of similar character to the Brand bill."

"The Secretary of Agriculture, Arthur M. Hyde, in a speech at Syracuse, N. Y., had this to say on the principle of the bill:

"\* \* \* And does not the welfare of the cities as well as the future of America demand that those farm boys and girls be given on the farm an education comparable to that offered by the cities to the other boys and girls with whom they must compete? By every intendment of the American boast of equality of opportunity, and by the force of every sound reason for the need for universal public education in a free country, I maintain that the cities, with their wealth and population, owe a duty to help carry the burden of supporting the country schools which will equalize educational opportunity."

"The secretary of the National Educational Association of the United States, Dr. J. W. Crabtree, wrote as follows:

"Your idea is sound whether you can ever force its acceptance on the part of Congress or not."

"John Callahan, State superintendent of instruction of Wisconsin, said:

"I am ready to do everything I can to help it along, and would be pleased to come to Washington at any time if I can be of service there."

"Webster H. Pearce, State superintendent of public instruction of Michigan, may be quoted as follows:

"I feel that you have introduced a bill which will do more than any other measure that Congress could possibly pass to bring real farm relief to the farmers of this country."

"M. D. Lincoln, secretary of the Ohio Farm Bureau Federation at Columbus, stated that he was in entire sympathy with the thought back of this piece of legislation."

"Fannie W. Dunn, who has charge of the department of rural education of the Teachers' College, Columbia University, said:

"I believe the aid is absolutely sound and necessary, if rural children are to have equitable educational provision with urban children."

"R. E. Jagers, supervisor of rural elementary schools of Kentucky, said:

"This bill is a step in the right direction."

"Charles A. Lee, State superintendent of public schools of Missouri, said:

"I certainly agree with you that wealth is leaving the rural sections and that some plan such as you have in mind must be adopted in order to equalize the financing of public education. This measure is a far-reaching one and I want to assure you I am vitally interested in such a program. If there is any way in which I could be of service to you in connection with this measure, do not hesitate to let me know."

"M. L. Duggan, State superintendent of education of Georgia, may be quoted as follows:

"This bill appeals to me as being about the first and only thing offered that looks like relief to farmers."

"Dr. John L. Clifton, director of education in the State of Ohio, writes as follows:

"The bill just introduced by Congressman CHARLES BRAND, of Ohio, providing Federal aid for the rural schools of the Nation to the extent of \$100,000,000 per year, meets with my hearty approval."

"E. E. Lewis, director of the department of school administration of Ohio State University, writes as follows:

"In particular we should build up enthusiasm among the educators for this bill."

"Helen Heffernan, chief, division rural education in California, says:

"The basic principle of school finance as first expressed by Horace Mann is taxing property where the property exists and expending money where the children are to be educated."

"Carrie Chapman Catt, honorary president of the National League of Women Voters, may be quoted as follows:

"I quite sympathize with your idea of increasing the grant for these schools in the various States."

"Hon. Frank O. Lowden, of Illinois, says:

"I have read your proposed bill with interest. I think you are on the right track."

"H. D. Showalter, State superintendent of education in the State of Washington, writes as follows:

"I wish you the greatest success in this fundamental and very important plan of correcting this neglected portion of our educational system—the rural schools of America."

"Arthur L. Marsh, executive secretary of the Washington Education Association, writes as follows:

"I think ultimately it is bound to come and am glad to see the movement for a new plan of public-school support launched."

"The Minneapolis Tribune may be quoted as follows:

"It is the opinion of the Tribune that a very large proportion of 'Federal farm aid' must sooner or later come in the form of education."

"James F. Hosic, professor of education, Teachers College, Columbia University, New York, said:

"I hope the bill that you have prepared, known as H. R. 2570, will pass."

"We might say that hundreds of letters have been received from educators over the country, including two-thirds of the directors of education in each of the States, approving the measure."

"The Secretary of the Interior has been evidently mindful of the favorable attitude of educators over the country toward this bill, for he has seen fit to institute a council of education composed of some 70 educators of the country selected by him, and at the meeting in Washington the argument for this bill was submitted to them and a second meeting of this advisory committee has been called, and I am advised by the chairman, C. R. Mann, that this meeting will be devoted largely to determining what kinds of information must be collected in order to reach a sound conclusion, and that after the meeting they will know what further information will be useful concerning the rural-school program."

"This bill evidently has sufficient support to warrant the serious consideration of the Committee on Education in both the House and the Senate."

#### BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRATTON:

A bill (S. 2208) granting a pension to Ascencion V. de Martinez; and

A bill (S. 2209) granting an increase of pension to Nancy E. Nicholson; to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 2210) granting a pension to Loyd B. Burley (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 2211) granting an increase of pension to Anna E. Hayes (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2212) to provide for the closing of barber shops in the District of Columbia on Sunday; to the Committee on the District of Columbia.

By Mr. THOMAS of Oklahoma:

A bill (S. 2213) granting an increase of pension to Karl Lowry (with accompanying papers); to the Committee on Pensions.

By Mr. SCHALL:

A bill (S. 2214) to amend the air commerce act of 1926 so as to provide further encouragement for civilian flying; to the Committee on Commerce.

By Mr. McNARY:

A joint resolution (S. J. Res. 83) authorizing appropriations for the establishment and maintenance of an agricultural experiment station in American Samoa;

A joint resolution (S. J. Res. 84) to amend sections 1 and 2 of the act of March 3, 1891; and

A joint resolution (S. J. Res. 85) to amend section 10 of the act entitled "An act to establish the Upper Mississippi River Wild Life and Fish Refuge," approved June 7, 1924; to the Committee on Agriculture and Forestry.

#### RESULT OF THE ELECTION IN VIRGINIA

Mr. HEFLIN. Mr. President, I ask unanimous consent to have printed in the RECORD a number of brief interviews with Senators from the Southern States on the result of the recent election in Virginia.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Mobile Register]

PRO-SMITH ORGANS SHOW INFERIORITY COMPLEX AND REFUSE TO CREDIT DEMOCRATS WITH INTELLIGENCE ENOUGH TO MEET ISSUE OF TWO CANDIDACIES

(By C. M. Stanley, editor the Alabama Journal and the Times; associate editor the Mobile Register, the Mobile News-Item, the Florence Times-News, and the Sheffield Tri-Cities Daily)

MONTGOMERY, ALA., November 18.—It becomes daily more apparent that the influences which seek to punish anti-Smith Democrats by barring them from next year's primary are moved more by fear of individuals than by solicitude for future party welfare. They are exhibiting an inferiority complex which trembles at the thought of HEFLIN and Locke. They are unwilling to meet an issue squarely and let the Democrats of Alabama decide the fate of Messrs. HEFLIN and Locke as it ought to be decided. They do not give the Democrats of Alabama credit for intelligence enough to meet the issues raised by the candidacy of these aspirants for senator and governor.

Important factors in the pro-Smith, pro-Tammany, and antiprohibition group like the Birmingham News, Selma Times-Journal, and Montgomery Advertiser, discuss not what is best to do for the welfare of the Democratic Party, but instead what is the best way to prevent Democrats from expressing themselves on the Hefflin-Locke candidacies.

There are thousands of Democrats both in the ranks of those who voted against Smith last year and of those who voted for Smith for the sake of party regularity who will be opposed to both HEFLIN and Locke when next year's campaign opens. They are willing to meet the issue presented. They are not afraid. They are not willing to inflict injury on the party by helping to make martyrs out of a few individuals through driving them and their friends out of the party.

#### HOLD NO BRIEF

These Democrats hold no brief for HEFLIN or Locke. They regard the auspicious future of the Democratic Party in Alabama and continuing control of State affairs by that party as a much bigger subject than the exhibitions of any individual or group of individuals.

The lengths to which the specter of HEFLIN and Locke drives some of the pro-Smith sponsors is shown by this comment from the Selma Times-Journal: "No act of perfidy, not even murder, should be invoked to impugn a man's right to seek Democratic honors if these two marplots are to be patted on the back and given the best seats at the table." The Montgomery Advertiser, forgetful of 1896 when itself and so many Democrats bolted William Jennings Bryan, says: "The Democratic Party not only has the right but owes itself the duty to take whatever steps may seem necessary to protect itself against those who take their party obligations as lightly as a sailor in a foreign port is said to take his love pledges." The Birmingham News asserts that no bolters sought office under the Democratic banner in the recent Virginia election and, lacking courage to call names openly, asks these questions: "Is it recognition of this point that encourages a certain United States Senator from Alabama to rejoice over what has come to pass in Virginia? Does the former chairman of the bolters' committee in Alabama, who now seeks the Democratic nomination for governor here, appreciate the fact that Democrats, and not Hoovercrats, were nominated in the Virginia State Democratic primary? Do both these gentlemen approve the action taken by Virginia Democrats? If not, why not?"

#### BLOW AT PARTY

It is the same story all along the liquor line. The effort is to arouse the anti-Hefflin and anti-Locke sentiment of the State—admittedly very widespread—and formidable among both wets and dries—to deal a serious blow to party unity and solidarity in the State. Short-sightedly they refuse to recognize what many competent political observers have declared is the surest way to guarantee the election of HEFLIN and Locke—namely, driving them out of the Democratic Party and into the general election where thousands of Republicans can and will vote for them if for no other reason than to embarrass the Democratic ticket.

Fortunately, the great mass of Democrats in the State have higher regard for their party than that, and if the State committee conforms to public opinion throughout the State it will invite Democrats in, not drive them out, pursuing the harmonious policy which was so success-



fully pursued by party leaders in Virginia, and let Democrats run their own affairs and not take fright and run to cover when they see a bogey man.

#### SENATORS FROM SOUTHERN STATES UNANIMOUS IN OPINION THAT TO PUNISH OPPONENTS OF NOMINEE WOULD BE GRAVE MISTAKE BY PARTY LEADERS

By Hubert Baughn, chief Washington bureau, Register and associated newspapers

WASHINGTON, November 16.—United States Senators from the South are unanimous in the assertion that the Democratic Party would be the real sufferer if the party leaders of any Southern State made the mistake of trying to punish those Democrats who declined last year to support the national ticket headed by Gov. Alfred E. Smith, of New York.

In statements to the Washington bureau of the Register and associated newspapers the men who represent the land of cotton in the greatest deliberative body on earth make ringing appeals for the restoration of Democratic harmony in every Southern State. They declare that the anti-Smith Democrats and their leaders should be invited to return to the party fold, with no conditions of any kind attached to the offer.

In the 1928 presidential campaign, they assert, there were honest differences of opinion among Democrats, but now those differences should be forgotten and the necessary steps taken to reunite the southern Democrats under the flag of Democracy. Pointing out that Virginia Democracy won an impressive victory on November 5, due to the wisdom of the party leaders in opening the door to all Democrats, irrespective of how they voted last year, the southern Senators declare that the leaders of all the other States would serve their party well by following Virginia's example.

The anti-Smith Democrats have demonstrated that they were sincere last year in saying they were only leaving the party temporarily, and wise leadership now will bring them back into the fold in every Southern State, the Senators assert in their statements.

These southern Senators, practically every one of whom "shelled the woods" for the regular Democratic ticket last year, are not interested in the political ambitions of any individuals in any Southern State. In urging harmony they are making an appeal for the future welfare of the Democratic Party. They feel that the party's prospects were never brighter than at present. With an acute split existing in Republican ranks they see a real chance to gain control in the 1930 elections and then sweep a Democrat into the White House in 1932. In their statements they appeal to the Democrats of the Southern States to harmonize their differences of last year in order that a reunited and militant Democracy may face the enemy in the campaigns that lie ahead.

#### WOULD BE FATAL BLUNDER

If differences among Democrats in any of the Southern States need to be settled, let them be settled within the Democratic primaries, so that nothing will happen to mar the ambitious national program of the party, they urge. Punitive steps against the anti-Smith Democrats would be a fatal blunder, but the extension of the olive branch would bring about the burying of past differences and reunite the Democratic Party in the South, they declare.

Every southern Senator who was asked for a statement of his views responded immediately. There was no side stepping, no equivocation, no straddling. The unanimity with which the South's representatives in the upper branch of Congress view the situation is shown by their statements, some of which are published herewith:

Senator WALTER GEORGE, of Georgia: "It would be a very great mistake, in my opinion, for any Southern State, through its party authority, to attempt to punish in any way, shape, or form those Democrats who declined to support the national ticket last year. It now has been made clear that those Democrats were sincere when they said they were only leaving the party temporarily, because they could not honestly accept the views of the presidential nominee. They showed in Virginia that they were still good Democrats by coming back in and helping to elect the gubernatorial nominee of the Democratic Party. It is greatly to be hoped that the Virginia harmony program will be followed in every Southern State."

#### SOUTH REALLY DEMOCRATIC

Senator KENNETH MCKELLAR, of Tennessee: "There never was any doubt in my mind that the Southern States which left the Democratic Party in 1928 would return to the fold. The South is Democratic, and the result in 1928 was due to a condition that everyone understands. What happened in Virginia the other day will happen in every other Southern State if Virginia's example is followed. Regular Democrats in all these States should hold out the olive branch, and all who left us temporarily in 1928 should be welcomed back as voters or candidates.

"Democratic prospects everywhere are brighter than they have been for years. We must not make the mistake of proscribing any Democrat, or anyone who claims to be a Democrat."

Senator DUNCAN U. FLETCHER, of Florida: "Virginia has done splendidly, and her example should be followed by the other Southern States.

She has relegated to the past and eliminated for the future the dilemma and differences which Democrats experienced in 1928. That is forgotten. Democrats realize that the Republican Party never has been a friend of the South. Time and conditions have modified the attitude of leaders since the days of Thad Stevens, but our hope rests with the Democratic Party. Let Democrats in the South settle their differences among themselves, at the primaries, and stand united in the face of a common foe. Virginia has pursued the wise course. If the other Southern States will follow, the results will be equally gratifying."

#### VIRGINIA POINTS WAY

Senator MORRIS SHEPPARD, of Texas: "The results of the recent Virginia and Kentucky elections point the way to success for the Democratic Party throughout the Nation. Every citizen, regardless of former political action or affiliation, was invited in these States into the Democratic ranks. As a consequence, the party of Jefferson and humanity registered rousing and inspiring victories. Never before has this Republic stood in greater need of the Democratic Party with its solicitude for the welfare of every man, woman, and child beneath the American flag; its opposition to the forces of monopolization and centralization which are rapidly closing the avenues of individual development and opportunity; its stainless devotion to the general good.

"Let all who believe in equality of right and justice be made to feel that they are not only welcome, but needed, in the Democratic Party. Forgetting the differences and the divisions of the past, let a reunited democracy renew the struggle for the redemption of the Nation. In Virginia and Kentucky no attempt was made to close the primaries to any class of voters or to candidates. The results at the elections following the primaries showed the wisdom of this course."

#### STRIKE MAKERS CRUSHED

Senator PARK TRAMMELL, of Florida: "The chief significance of the Virginia election was the crushing defeat given those who wanted to stir up strife. They could not get away with it in Virginia, and they will not get away with it in any other Southern State. Our southern Democrats want to forget their differences of 1928, and the political leaders in every State ought to be joining wholeheartedly in the movement.

"The report from Alabama that some of the party leaders there are advocating a plan to prevent Senator HEFLIN and other anti-Smith Democrats from running in the primary is hard for me to believe. I do not believe that the party authorities in Alabama, after sober thought, will permit this to be done. I do believe, however, that if the State committee took such a step its action would be repudiated by 75 per cent of the people who voted for Governor Smith last year. I say this because I believe that the people of Alabama are not unlike the people of my State. In Florida the Democrats are moving along nicely in a harmony program. That is the trend everywhere. It was emphasized in Virginia's splendid vote, and I look for the rest of the South to follow suit. Any other course, in my judgment, would be disastrous to the Democratic Party right at a time when its prospects are exceedingly bright."

Senator PAT HARRISON, of Mississippi: "The Democrats ought to forget their differences of last year and face the future reunited."

#### VIRGINIAN COMMENTS

Senator CLAUDE SWANSON, of Virginia: "The election we held recently in Virginia indicates that the entire South will return to the Democratic Party by large majorities, especially if the wise and liberal policy adopted in Virginia is pursued by the other Southern States, and all Democrats invited to return and again affiliate with the party, irrespective of the differences of last year."

Senator LEE S. OVERMAN, of North Carolina: "The whole country is to be congratulated upon the notable Virginia victory. It indicates clearly that Democrats who left the party ranks last year are willing to bury old differences, let by-gones be by-gones, and come back home to help fight the common enemy. I have always believed in party regularity, have always voted the Democratic ticket, and always expect to, but I believe the anti-Smith Democrats ought to be welcomed back into the fold. We should have no quarrel with any Democrat who voted his honest convictions last year. I voted for Governor Smith, but I know many Democrats who felt they honestly could not do so. They ought not to be proscribed from coming back."

Senator TOM CONNALLY, of Texas: "The Virginia election indicates that the Democratic Party is reuniting in the South. I am delighted to note that the trend toward party harmony is so marked."

Senator SIMMONS, of North Carolina (the only Senator quoted in these interviews who did not actively support Governor Smith last year): "The anti-Smith Democrats stood by their State Democratic ticket last year, thus showing that they had no idea of leaving the Democratic Party just because they could not honestly support the presidential nominee. In North Carolina last year we elected our State Democratic ticket by as large a majority as Virginia elected her State ticket this month. I am glad to see the decided trend toward harmony in the party ranks." (Senator SIMMONS is now leading the Senate Democrats in their successful onslaught against the Republican tariff bill.)

## OWN STORY TOLD

Senator CARTER GLASS, of Virginia: "The election in Virginia tells its own story. The returns demonstrate that the large body of Democrats who dissented in the presidential campaign last year told the truth when they said their defection was momentary and in no sense permanent. We are glad they came back. The door was left wide open."

Senator WILLIAM J. HARRIS, of Georgia: "I was naturally very much gratified over the election of Judge Pollard in Virginia. The Kentucky and other recent elections also show that, though the southern people may differ once in a while, they will remain true to the Democratic Party, which is a friend to the South. The Republican Party when in power has always in the past, and I am afraid always will in the future, treat the South as a conquered province. England treats her provinces far better."

"While I differed with many of my friends who did not support the Democratic nominee in the last presidential election, I never criticized them for differing with me, and since the election I have urged that our people harmonize their differences so as to present a solid front at the next election. A great mistake would be made if we tried to punish those who honestly differed with us in the last election."

## REPLY TO ROGER W. BABSON

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I have received from Carroll L. Riker in regard to the article by Babson in yesterday morning's Washington Post.

The VICE PRESIDENT. Without objection, it is so ordered. The letter is as follows:

WASHINGTON, D. C., November 20, 1929.

HON. LYNN J. FRAZIER,  
United States Senate.

DEAR SENATOR: To-day increased exportation without importation is a fallacy.

In to-day's Washington Post Babson states:

"In developing export trade it does not mean necessarily the increasing of our imports. This is simply the swapping of jackknives. President Hoover visualizes the hundreds of millions of able-bodied people in Europe, China, and Latin America, which could consume double our production without the necessity of any harmful imports. This could be accomplished by raising the standard of living of these millions of people."

He attempts to furnish presidential indorsement for his fallacious statements.

The President has too much common sense not to realize the impossibility of greatly increasing our exports with such countries as Babson mentions without providing means for payment, and as these countries have little gold or silver with which to pay for our goods we must in some way provide them with it or accept some other medium of exchange.

For example, if we increase the importation of Turkish rugs having a sale value of \$500 each, it would not materially affect the manufacture of carpets or rugs in this country. Tracing the greater part of this \$500 back to Turkey we find that it would provide them with a medium of exchange with which to purchase our wheat and our manufactured products. The gold paid for the rug would thus permit them to buy our exports and so increase their standard of living.

Compare any such import injury to this country with the export benefits which would accrue.

I predict there will soon be a Babson total eclipse unless his future predictions are upon a better basis.

Very truly yours,

CARROLL L. RIKER.

## CRIME IN THE DISTRICT OF COLUMBIA

Mr. BLEASE. Mr. President, on yesterday in the course of the remarks I made in reference to certain matters in Washington the Senator from North Carolina [Mr. SIMMONS] asked me about witnesses appearing before the grand jury. In what is called the early edition of the Washington Post which appeared late last night I find this statement:

Attention of the grand jury which is conducting the second investigation of the mysterious death during the night of September 12 of Virginia Hurley McPherson was focused yesterday upon the alibi of her estranged husband, Robert A. McPherson, jr., who is now in jail under an "illegal" indictment for her murder.

All day yesterday a steady stream of alibi witnesses—friends and fellow club members of the accused husband—passed through the grand jury room, but few remained in the inquisitorial chamber for more than a very few minutes, as the body disposed of almost 50 witnesses during the day.

In the regular edition of the Washington Post appearing this morning there is carried the following statement:

An unexpected witness appeared yesterday in the person of Charles Wilson, a friend of McPherson, who is understood to have testified that he met the young widower near his home at 12.25 o'clock on the morning of September 13.

"The young widower." Notice that language. How did he know he was "a widower"?

This would substantiate the stories told by other alibi witnesses who have stated that McPherson left the home of his aunt, Mrs. Donald McPherson, on Varnum Street, at 12.21 o'clock and walked to the home of his parents on Upshur Street, where he arrived at 12.30.

Also there appeared an article in the Washington Herald of November 21, 1929, as follows:

McPherson's alibi witnesses claim the young bank clerk was in Petworth, far from the Park Lane Apartments, the night his wife was strangled to death with a pajama cord.

Wilmer Ruff, manager of the Park Lane Apartments, was recalled by the grand jurors yesterday. He is believed to have been questioned again about his conversation with McPherson when he found his wife's body, and also about conditions in the apartment.

The defense produced another alibi witness in the person of Charles Wilson, a friend of McPherson, who is believed to have testified he saw McPherson walking near his home at the time Lewark claimed he was down town.

I simply call attention to this, and I especially call to the attention of the Senator from North Carolina the fact that alibi witnesses are being furnished by Mr. Laskey to the grand jury in this so-called murder case.

## WASHINGTON POST EDITORIAL RELATIVE TO THE SENATE

Mr. SMITH obtained the floor.

Mr. SACKETT. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Kentucky?

Mr. SMITH. I yield.

Mr. SACKETT. Without commenting thereon, but asking that it may receive the thoughtful consideration of the people of the country, I send to the desk and ask that the clerk may read an editorial appearing in the Washington Post of this morning.

The VICE PRESIDENT. Is there objection?

Mr. HARRISON. Mr. President, a parliamentary inquiry.

Mr. SMITH. Mr. President, if the request of the Senator from Kentucky is going to bring about discussion, I shall not yield to it.

Mr. SACKETT. Without comment, I have asked that the editorial may be read.

Mr. HARRISON. Is the Senator asking to have inserted in the RECORD the editorial appearing in the Washington Post this morning?

Mr. SACKETT. I am.

Mr. HARRISON. I desire to say that while I have no objection to having it put into the RECORD, I shall wish to have something to say about it if that shall be done.

Mr. JOHNSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from California?

Mr. SACKETT. Certainly.

Mr. JOHNSON. I glanced very hurriedly at the editorial in question. May I inquire whether the editorial which the Senator from Kentucky has asked to have read is the one that is bitterly and abusively critical of the Senate?

Mr. SACKETT. It is.

Mr. JOHNSON. Very well.

Mr. SACKETT. That is the reason I have asked to have it read.

Mr. JOHNSON. I see.

Mr. SMITH. May I suggest to the Senator from Kentucky that when I get through—I do not think it will take very long for me to do so—he can then ask that the editorial may be inserted in the RECORD.

The VICE PRESIDENT. The Senator from South Carolina declines to yield further.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. SMITH. I yield.

Mr. SMOOT. In order to save any further discussion of the matter, I object to the request which has been made by the Senator from Kentucky.

## RELIEF OF BORROWERS FROM FEDERAL LAND BANKS

Mr. SMITH. Mr. President, none save those of us who are from those stricken sections realize the condition that exists in



several of the Southeastern and Gulf States. In some of those States certain sections have had three successive crop failures, a condition which, perhaps, has never occurred in that section since it has been settled. The land banks which have mortgages on lands in that region by the very nature of the case are compelled to collect the interest thereon. The bonds secured by those mortgages are sold on the market to private individuals, and the proceeds are used for the purpose of furnishing money to borrowers from the banks. Therefore, any default in the payment of interest on those bonds adversely affects their price in the market. I have prepared another resolution which I shall offer at the coming regular session of Congress providing in effect for the appropriation of a sufficient amount of money to take care of accruing interest on bonds of Federal land banks pending such time as the borrowers may have a chance either to pay such interest, or, finding that they have no prospect of doing so, allow the property to go under the hammer.

Mr. NYE. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. SMITH. I yield.

Mr. NYE. Does the resolution to which the Senator from South Carolina refers confine its operations to a limited number of States?

Mr. SMITH. The resolution for which I am asking consideration this morning refers to certain sections of the Southeast, but it does not propose to make any appropriation, but is in the nature of an emergency resolution, in view of the condition which I have just sketched. The people in the region referred to, through no fault of their own, some of them living right near my own home, men whose forebears were in possession of land grants before we became a nation, are losing their lands as a result of the unprecedented conditions that exist.

As I have stated, the resolution which I have prepared and shall offer as soon as Congress convenes in December, when both branches may act upon it, covers the ground and provides for an appropriation in order that the Government may take care of the interest, so as not to allow the bonds of those banks to be depreciated on the market, during such time as may be required to alleviate the existing condition. The resolution which I now offer and on which I should like immediate action is to this effect:

Whereas three successive crop failures having visited certain sections of the Southeast make it practically impossible for certain borrowers from the Federal land banks to meet the interest on their loans; and

Whereas under the law the land banks are closing out these delinquents: Therefore be it

Resolved, That the officers of the Federal land banks are requested to withhold these foreclosures for not more than 60 days, pending action of Congress on legislation making appropriation for the Government to meet the maturing interest and carry them for such time as in the judgment of the local Federal land-bank officers would be justifiable.

Mr. President, I submit that resolution and ask unanimous consent for its immediate consideration. It is a matter of such vital importance, being almost a matter of life and death to these people, that I hope the Senate will consider it at this time.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH. I yield.

Mr. McNARY. Mr. President, I just entered the Senate Chamber. I should like to have the resolution read at the desk.

The VICE PRESIDENT. The clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 164), as follows:

Whereas three successive crop failures having visited certain sections of the Southeast make it practically impossible for certain borrowers from the Federal land banks to meet the interest on their loans; and

Whereas under the law the land banks are closing out these delinquents: Therefore be it

Resolved, That the officers of the Federal land banks are requested to withhold these foreclosures for not more than 60 days, pending action of Congress on legislation making appropriation for the Government to meet the maturing interest and carry them for such time as in the judgment of the local Federal land-bank officers would be justifiable.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. JONES. Mr. President, I understand this is a Senate resolution.

Mr. SMITH. It is a Senate resolution in effect, expressing the sympathy of the Senate for these stricken people and notifying

the Federal land-bank authorities that they can temporarily withhold foreclosure proceedings. I have made investigation, and they can do that without detriment to the interest on the bonds.

Mr. McNARY. Mr. President, from the language it appears that the resolution is only in the nature of a request that the officers of the Federal land banks defer action. I should like to ask a question of the Senator who proposes the resolution, Has this matter been presented to the Federal Farm Board?

Mr. SMITH. It has not been presented to the Federal Farm Board, but I have discussed it with certain officers of the land banks. As I have said—I do not think the Senator was here at the time—I have prepared another resolution asking for an appropriation with which to pay interest on the bonds for a certain length of time in order not to discredit the bonds in the open market, because the interest must be paid if the bonds are to be sold to the public. But the persons who are indebted to the land banks can not pay the interest, not on account of any dereliction on their part but on account of unprecedented weather conditions. I think the Government will be justified in extending relief at this time to these delinquents without compounding the interest, because conditions can not go on in this way forever.

By submitting this resolution I am anticipating what I shall ask Congress to do when it reconvenes in December. If we can, in order to meet an emergency, reduce taxation to the income-tax payers, surely we can ask for some aid to be extended to those who have no income and can not even pay the interest on their mortgages to protect the homes in which they live.

Mr. McNARY. Mr. President, the Senator has given the subject very thorough study over a period of years and I should like to have him express his opinion whether, in the event the resolution should be adopted by the Senate, it will have any effect upon the salability or the rate of interest on the debentures sold by different banks?

Mr. SMITH. Not one particle, because the funds of the bank are ample to meet for 60 or 90 days the interest that is due on the bonds, but the land banks are endeavoring to collect the interest on the loans which is falling due in order to meet the interest on the bonds which will be due within a certain time hereafter. They are endeavoring to collect it now, and it is a matter of impossibility for those who owe the debt to pay, and some of them have no recourse except to give up their homes.

Mr. McNARY. I hope the Senator will not object to having the resolution go over for the day.

Mr. SMITH. Mr. President, we may adjourn then before action can be taken on the resolution. The public knows the condition; the land is being sold; the people are being dispossessed; and the money is not available until the land is sold. As I have said, I propose to offer a resolution asking for an appropriation to pay the interest. In the meantime, I shall ask the bank officers to estimate how much will be required for that purpose and how long, in their judgment, they think the appropriation ought to run, in order to give these unfortunate people an opportunity to save their homes. I shall not do that without consulting those upon whom the responsibility of carrying on the land banks rests; but to ask for a stay of 60 days would in no wise embarrass the land banks; it can not embarrass them because the act itself requires foreclosures in the event of certain contingencies, and this resolution is simply an expression on the part of the Senate that we recognize the condition in which these unfortunate people find themselves and are willing for a limited time to remove the responsibility which rests on the shoulders of the land banks.

Mr. McNARY. I am sure the Senator will be willing to defer action until 12 o'clock. I desire in the meantime to confer with the Federal Farm Board. I make that request of the Senator. Then probably I shall not object, but I should like to have that opportunity.

The VICE PRESIDENT. Does the Senator from South Carolina withdraw his resolution for the present?

Mr. HEFLIN. Let it lie on the table.

Mr. SMITH. Of course I will have to yield to that, but, on account of conditions over which I have very little control, I had hoped to get away from the city before 12 o'clock.

Mr. McNARY. I do not want to discommode the Senator or to disarrange his plans. If I could have opportunity to go to the telephone and speak to the Chairman of the Federal Farm Board, I should be glad to have that opportunity, and probably it would not take 30 minutes.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Florida?

Mr. SMITH. I yield.

Mr. FLETCHER. Does the resolution refer to the emergency loans made for storm relief?

Mr. SMITH. No; the resolution refers to loans made in the regular course of the operation of the land banks.

Mr. FLETCHER. I should regret very much if what it proposes should be done. If we shall do this in the case of one land bank, there being 12 of them, we will be met by similar requests from all over the country. If we undertake to interfere with the discretion vested in the Farm Loan Board by resolutions, we will soon have the whole system demoralized and the bonds can not be sold at all.

Mr. SMITH. All I have got to say is this: Have we created such an inflexible system that in an emergency over which no one has control no relief can be afforded?

Mr. FLETCHER. They have a certain discretion.

Mr. SMITH. I know they have; but in this case that discretion has been exhausted by a combination of conditions over which they have no control. Surely we who made the law for the purpose of aiding the agricultural interests and to enable the farmers of the country to maintain their homes by taking them out of the hands of private lenders of money on mortgages are the best judges whether, now that an emergency has arisen, such as has not occurred before, perhaps, in the history of that section of the country, relief should be afforded. It is impossible for them to meet this interest. I am simply asking that there shall be a stay of these executions until such time as the Federal Farm Board can advise as to how much, in their judgment, would take care of worthy cases. I am not asking to take care of cases where it is known to the land-bank officers that these parties have squandered the money or have not been using it in the proper way; but there are hundreds of them who, in spite of every effort they could make, for three years have suffered a complete failure. Therefore, under the very terms of the law, these people have to lose their homes, whereas, knowing the facts, as the land bank knows them, I shall introduce a resolution and have it referred to them, and it will be for them to decide whether or not it would be good business—and certainly it would be an act of kindness; not kindness alone, but carrying out the very purpose for which the law was passed—to enable those people to hold on to their homes, which under other conditions they might lose.

Therefore I say that I propose to introduce a resolution—let it meet what fate it will—for the Government temporarily to appropriate enough money to take care of the interest due in certain cases where the individuals, in the opinion of the bank officials, are not responsible for the condition in which they find themselves.

Mr. SMOOT. Mr. President, I merely wish to make a short statement.

I know of no better way to destroy the marketability of these bonds than to pass a resolution of that kind and have it carried out.

Those bonds are sold to the general public all over the United States. They have a splendid standing to-day in the financial circles of America. For Congress now to undertake to say that the interest shall not be paid or shall be extended, in my opinion, would be a most unfortunate action on the part of the Senate.

I have just as much sympathy with the farmers who are in a plight as has the Senator from South Carolina; but this is not the way to deal with the matter. We do not want to make impossible the sale of bonds that gives them the money to carry on; and that is just what this would do.

Mr. SMITH. Oh, no, Mr. President, if the Senator will allow me. These men have gone the limit. The legal limit has been reached.

Mr. SMOOT. Then let us make a direct appropriation.

Mr. SMITH. That is what can not be done until Congress meets in regular session. I am asking to stay proceedings until Congress can meet. If the Senator from Utah will allow me further, does any Senator want to take the responsibility of saying to these people, "Congress is impotent, under a law that it has passed, to save you when Providence has laid its hand on you and crushed you to the ground. We are not going to interfere. You can not help yourselves, and we certainly will not."

Why, even a privately owned bank would not do such a thing. Are we so inflexible, so bound up, that the public that buys our bonds, knowing that not one of them will be defaulted on, or the interest fail to be met, will be alarmed because I ask merely that these bank officials may stay these executions until Congress can meet? Then I propose to try to get immediate action; and, if not, I shall abandon the matter. I want immediate action on the resolution when both Houses of Congress are

here, when Congress is in session, so that we may take such action as the case justifies or as the Senate thinks is justified.

Mr. SMOOT. I can not see any good coming from passing the resolution. If it were passed and put into force, its effect would be adverse to the sale of these bonds that have been held in such high regard by the public in the past.

Therefore, Mr. President, as far as I am concerned, knowing the facts, and feeling as I do about the matter, I should not want to have the resolution passed at this time.

Mr. SMITH. Mr. President, I shall not attempt to read these letters. I dare say there is not a man from a State affected but that has received letters similar to those I have received. If the Senator from Oregon [Mr. McNARY] desires to make inquiries of the Farm Board, I will ask that this resolution lie on the table until such time as he has communicated with them, as soon as may be, because I hope the Senator will allow me to have such action on this resolution as the Senate sees fit to take.

Mr. McNARY. Mr. President, I shall be very happy, after I confer with the board, to have the matter presented. Whether or not there shall be objection, I do not know, though I anticipate there will be.

Mr. SMITH. Mr. President, it is a very easy matter to do it. I have discharged my duty. If any Senator here thinks that he is justified in precipitating turning a man out of his home, let him take that responsibility.

I am just as keenly appreciative of what might be the effect of unwise tampering with the sale of these bonds as any man here; but I do not believe that it will affect them in the least, because I think there are ample funds now to meet them. The obligations on these lands, however, will be foreclosed before we get back here, I believe. The land bank may not have to foreclose them, but they are doing it. Here are the very best citizens from my State writing in here that they are foreclosed.

Mr. SMOOT. Mr. President, does the Senator know how long the interest has been in default?

Mr. SMITH. Some of them have failed to pay it for two years.

Mr. SMOOT. That is exactly what I thought. Does the Senator feel—I am asking him the question in all good faith—that default in a bond for over two years, and then having action taken here by the Senate excusing it, is going to help the future sale of bonds?

Mr. SMITH. There has been no default in the interest on the bonds. These individuals have not paid the interest on their loans; but the point I am making is that these people have made no crop at all for three years. I say "none at all"; I mean, practically none. Take the condition right near my home: One of the most prosperous farmers there has 3,200 acres of cotton land, on which he has generally made from 2,500 to 2,700 bales. This year he made 125 bales. Another one has 700 acres, and he made 48 bales. That has been the story in that section for two years, and in some parts of it for three years.

Now, the only question is, to be perfectly frank, is this to be a continuous, permanent thing? If so, then, of course, the land will be gone; but these parties are asking, and in my resolution I am asking, to leave it to the discretion of the land-bank officers as to what individuals in their discretion are worthy of this extension, after the statute of limitations has run against them, and under the law they are required to foreclose these papers.

It is only asking a stay of 60 days, in the hope that within that time the Congress will see fit to make an appropriation that will meet promptly the interest on the bonds as it comes due, and extend this interest, just charge it to the original account without compounding it, and give these people another year or two years. At the end of that time, if the mortgage has been taken discreetly, the value of the property is likely to bring the full amount of the loan, with the defaulted interest. If that is done, I can not see what harm will be done anyone.

Mr. COPELAND. Mr. President, I understand that the Senator from South Carolina is merely asking that this matter be deferred for 60 days until the subject can be considered by Congress, and that in the meantime, if some such action is not taken, there will be foreclosures.

Why should we not do this? Here we have been talking for several years in the Senate about the distress of the farmer. We have passed legislation seeking to put him on a firmer foundation. I have no great faith in it, but nevertheless we have attempted to do that. I can see no reason why we should not wait 60 days, defer the matter until then, in order that there may be a consideration of the matter more fully.

I hope the Senate will see fit to adopt the resolution of the Senator from South Carolina.

Mr. HEFLIN. Mr. President, a few years ago—in 1920, I believe, when we had the deflation panic, the farmers of Texas



were unable to pay their taxes. Cotton prices went down from thirty-odd cents a pound to 10 cents. The farmers lost \$150 a bale. The Legislature of Texas passed a resolution staying the taxes, and excused the farmers from paying their taxes for a year.

Why can not Congress extend some time to farmers who have obtained money on their farms through an institution created by Congress, when they have been afflicted by floods and storms and have been deprived of the productive agencies that they heretofore have had in order to meet the demands of the Government and to pay the interest on these loans?

Mr. President, this is not only a serious situation but it is a pitiful one. Here are farmers who have been going along paying the interest on these loans. It is necessary that the interest be paid in order to hold their property. Now an act of Providence comes, and they are deprived of the power to produce the money to meet the interest demands. Is Congress going to permit these farmers to lose their homes because we are about to do an unprecedented thing?

Precedent! Why, we are making precedents all the time. We are living in a progressive age, when we are not bound by the old, musty theories of the past. As one writer has said, precedents are errors grown old. If it takes an unprecedented thing to meet an emergency, why not meet it?

Why, I was a Member of the House, I believe, at the time when Congress, in order to aid people in distress in a foreign country, voted \$20,000,000 to Russia; and I remember, when we were having debt settlements with foreign countries, that we gave them a small interest rate that I opposed. I voted against all of them, and our Government got the worst of the deal in every single instance, and the best deal we got out of them all was with England; but none of them was entirely fair to this country. It was said that you took into consideration the condition of the people over there. That was urged—that we were asking enough, in view of the condition in which we found them.

Now, we have people in our own country, the very bone and sinew of the Nation, the producers, the farmers, who own their homes, owing money to a loaning institution of the Government, the land bank, and now, when farmers who have tried to meet the interest are unable to do it, the Senate, on the theory that we are asked to do a thing that we have not done before, refuses to extend a helping hand to these farmers.

Senators, recently, during the gambling spree that is now going on in Wall Street, the Government Federal Reserve Board put a hundred and odd million dollars up there to relieve the situation caused by gambling in stock. But we halt and hesitate about setting aside \$2,000,000, or staying the interest collections for 60 days, in order that quite a number of American farmers may save their homes.

We do not hesitate to do these big things for the big fellows, but frequently, when the little fellow has been in the lurch, it is hard to make some Senators enthuse over him, or to exercise themselves at all to extend to him a helping hand.

Mr. President, I hope the resolution of the Senator from South Carolina will be agreed to.

Mr. TRAMMELL. Mr. President, may I ask the Senator a question?

Mr. HEFLIN. I yield to the Senator from Florida.

Mr. TRAMMELL. Does not the Senator from Alabama recall that in dealing with the advances for the reclamation of arid lands out in the West, the Government has often extended the time in which the interest was to be paid, and not only that but has remitted it entirely at times?

Mr. HEFLIN. I thank the Senator from Florida for calling my attention to that. Yes; and I voted to give those people out there an extension of time, and the Senator is correct, in some instances Congress gave them the interest.

Mr. TRAMMELL. I voted for that myself. I remember a few years ago we just charged off \$14,000,000 in one year.

Mr. SMITH. Mr. President, will the Senator from Alabama yield to me?

Mr. HEFLIN. I yield.

Mr. SMITH. I just want to call attention to this fact. The resolution does not ask the land banks to stay the paying of the interest. As I understand, they have the wherewithal to meet the interest on the bonds coming due from time to time now. I am asking that the Federal land banks be asked not to foreclose the mortgages.

If the Senator will allow me to read one letter—

The VICE PRESIDENT. Does the Senator from Alabama yield for that purpose?

Mr. HEFLIN. I yield.

Mr. SMITH. It is a short letter. My correspondent said:

I see from the papers that you are going to introduce a resolution calling upon the Federal land banks to stop selling farmers' lands for nonpayment of interest. I wish to congratulate you—

And so forth.

I have a friend here who owes this bank money on his farm and is not able to pay his interest, and consequently they are going to sell his farm on December 2. This man belongs to one of the oldest and most highly respected families in this section of the State. He inherited his farm from his father, who in turn inherited it from his father. This man is a good farmer, and until three years ago always made around a bale of cotton to the acre. For the past two years we have been simply rained to death here and our cotton crop has been a total failure. This man on about 150 acres made 3 bales of cotton last year \* \* \*; but it took everything that he made to pay the local bank for this year's and last year's advances.

This man's farm is worth two or three times the amount the land bank has loaned on it, but if it is sold now it will not bring a cent more than the mortgage for the reason that nobody here wants farm land, and if they did, they haven't the money with which to buy.

This man has six children, the oldest about 12 years of age, and he is nearing 60 years of age and has never done anything except farm all of his life. If this man's land and home are sold and he put out, I candidly don't see how he can make a living for his family.

I have a letter here from the best friend, both personal and political, I ever had in my life. He was considered one of the wealthy men of Lee County. He wrote me on November 14 right along the lines of the letter I have just read. On Monday morning my colleague [Mr. BLEASE] and I received a telegram that W. A. Stuckey had dropped dead on the piazza of one of his tenant's homes. He said to me lately, "I am literally ruined by virtue of the disaster that has visited this section of the State for three successive years. I am in the midst of it."

No man knows the condition unless he has been there. All I have asked is that the Federal land bank be requested by the Senate to stay these foreclosures. If they find that under the law, where the rule and regulation is put above the interest of the whole community, despite what Providence may do, we have to drive ahead; they need not regard the resolution. I am simply asking the Senate to express its opinion as to whether they will ask or not to foreclose these mortgages for a period of not to exceed 60 days, and let us see if we can not get an appropriation that will meet the interest in deserving cases at the discretion of the bank officials, and then, at the expiration of the life of the appropriation, if it should be granted, if conditions do not warrant us extending it further, of course, the homes will be lost and everything will be gone.

Mr. HEFLIN. Mr. President, I wish merely to say, in line with what the Senator from South Carolina has just said, that it has been suggested to me that in New York, where this wild speculation is going on day after day on the stock exchange, the notes of the people speculating who are broke, who are right up against it, have been extended for 30 and 60 days in order to keep that thing from crashing completely to the ground. If they will do that in order to keep a gambling machine going, surely the Congress can do something to keep the American home going, and prevent the farmer who owns a farm which has been in the family for generations from going out of the hands of the family. We would be violating the Scripture, which says:

Remove not the ancient landmarks of the fathers.

In the case cited by the Senator from South Carolina, that farm has become a landmark in the family, and here we are about to permit this old landmark to be removed and to pass into the hands of strangers when the mortgage is foreclosed.

#### COMMENTS ON CRITICISMS OF THE SENATE

Mr. HARRISON. Mr. President, the Senate sometimes does unusual and exceptional things.

This morning I was delighted, when the nomination of the senior Senator from New Jersey [Mr. EDGE] came to the Senate, naming him as ambassador to France, to hear the senior Senator from Idaho [Mr. BORAH] ask that it be received by the Senate in open executive session immediately, and unanimously confirmed. It was a fine compliment paid to the Senator from New Jersey, and, indirectly, a compliment to the Senate of the United States.

I am sure that all of us, without respect to party affiliations, believe that the Senator from New Jersey will make a great diplomat, will perform his functions well, and reflect credit upon this country. I am sure the Senate will join with me when I say that personally I wish him well and Godspeed in his new work.

Immediately following that fine service the senior Senator from Kentucky [Mr. SACKETT], a member of the Finance Committee, a member of the subcommittee which drafted many of the rates in the bill on cotton and flax and wool, got recognition from the Chair and asked unanimous consent to have inserted in the CONGRESSIONAL RECORD, for distribution throughout the country, with governmental sanction and approval, an editorial, the most malicious, the most unwarranted, the most mendacious toward the Senate that I have read in a long time.

Mr. SACKETT. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. SACKETT. Will the Senator yield?

Mr. HARRISON. I yield to the Senator.

Mr. SACKETT. When I rose to offer that editorial I rose because the matter had been exploited upon the floor on yesterday in connection with an article from Mr. Babson. I offered to put the editorial into the RECORD in order that the country should see the abuse that was being heaped on the Senate. I had to ask the privilege of the Senator from South Carolina, which he offered to me if there was to be no comment. I wanted that editorial as a text, in order that I might say later what my thought is upon the methods by which the Senate is excoriated by reputable journals in this country.

Mr. HARRISON. Well, I—

Mr. SACKETT. One moment more.

Mr. HARRISON. If the Senator wants to make a speech in my time—

Mr. SACKETT. Before the Senator proceeds, I want to place myself before the country in the proper light. Every group in the Senate is excoriated in that editorial.

Mr. HARRISON. Mr. President, I refuse to yield for a speech.

The VICE PRESIDENT. The Senator declines to yield.

Mr. HARRISON. I refuse to yield for a speech, because I want to make a speech myself.

Mr. SACKETT. I will return to the speech; I think the Senator misunderstands my purpose.

Mr. HARRISON. The Senator will have ample opportunity, and I hope he can get recognition to reply to me.

When the Senator offered that editorial the only fair construction to put on his action was that he indorsed the editorial, that the many accusations and charges that are made in that editorial, untrue and unwarranted, received the approbation of the Senator from Kentucky. That the slush and dirt prepared by the editorial writer of that paper was to be applied by the Senator from Kentucky—

Mr. SACKETT. Mr. President, will the Senator yield?

The VICE PRESIDENT. First let the Chair suggest that there has been a good deal of debate which he thinks is tending toward a violation of Rule XIX, and he would like to have section 2 of that rule read, so that Senators may keep themselves within the rule.

The Chief Clerk read as follows:

No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

Mr. HARRISON. Mr. President, I am thoroughly familiar with that rule, and I do not think I have said anything to impute any motive to anyone.

The VICE PRESIDENT. The Chair did not intend to indicate that the Senator had, but the Senator must admit that lately on the floor of the Senate this rule has been in fact violated several times, and the present occupant of the Chair does not want to have it violated. He has simply had it read as a warning.

Mr. HARRISON. I am not going to violate it myself. I never violate the rules of the Senate if I can help it.

Mr. GLENN. Mr. President, the Senator from Mississippi has just stated that he believed, from what the Senator from Kentucky did in reference to this editorial, that the editorial met with his approval. I presume the speech of the Senator from Mississippi is proceeding upon that theory.

The Senator from Kentucky has explained, or endeavored to explain, that it did not meet with his approval, but met with his disapproval.

Mr. HARRISON. I did not understand the Senator from Kentucky to say that it met with his disapproval. I can not understand how anyone in the wildest flight of imagination who disapproves of it should want it placed in the CONGRESSIONAL RECORD.

Mr. SACKETT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. HARRISON. I yield.

Mr. SACKETT. The Senator from Kentucky endeavored to state that he disapproved of the editorial. He offered to put it in the RECORD in order that he might comment on it later and show the reason for it.

Mr. HARRISON. I will accept the Senator's statement and I will pass up the Senator. I apologize to him if, as he says, he disapproves of the editorial. I am glad indeed to hear that I misinterpreted the Senator's position.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. NORRIS. No, Mr. President; I thought the Senator from Mississippi had finished.

Mr. HARRISON. No; I have not finished. I want to say something about the editorial, and I hope when I shall have finished that the Senator from Kentucky can say that he indorses my remarks.

Mr. JOHNSON. Mr. President, will the Senator permit me to interrupt him?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from California?

Mr. HARRISON. I yield.

Mr. JOHNSON. If I have acted under a misapprehension as to the attitude of the Senator from Kentucky, I want to make that plain. But here is the record. May I read it?

Mr. HARRISON. I yield for that purpose.

Mr. JOHNSON. The record is as follows:

Mr. SMITH obtained the floor.

Mr. SACKETT. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Kentucky?

Mr. SMITH. I yield.

Mr. SACKETT. Without commenting thereon, but asking that it may receive the thoughtful consideration of the people of the country, I send to the desk and ask that the clerk may read an editorial appearing in the Washington Post this morning.

The VICE PRESIDENT. Is there objection?

Mr. HARRISON. Mr. President, a parliamentary inquiry.

Mr. SMITH. Mr. President, if the request of the Senator from Kentucky is going to bring about a discussion I shall not yield to it.

Mr. SACKETT. Without comment, I have asked that the editorial may be read.

Mr. HARRISON. Is the Senator asking to have inserted in the RECORD the editorial appearing in the Washington Post this morning?

Mr. SACKETT. I am.

Mr. HARRISON. I desire to say that while I have no objection to having it put into the RECORD, I wish to have something to say about it if that shall be done.

Mr. JOHNSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from California?

Mr. SACKETT. Certainly.

Mr. JOHNSON. I glanced very hurriedly at the editorial in question. May I inquire whether the editorial which the Senator from Kentucky has asked to have read is the one that is bitterly and abusively critical of the Senate?

Mr. SACKETT. It is.

Mr. JOHNSON. Very well.

Mr. SACKETT. That is the reason I have asked to have it read.

Mr. JOHNSON. I see.

Mr. SMITH. May I suggest to the Senator from Kentucky that when I get through—I do not think it will take very long for me to do so—he can then ask that the editorial may be inserted in the RECORD?

The VICE PRESIDENT. The Senator from South Carolina declines to yield further.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. SMITH. I yield.

Mr. SMOOT. In order to save any further discussion of the matter, I object to the request which has been made by the Senator from Kentucky.

There is the incident in full, fresh from the official reporters' notes.

Mr. HARRISON. Mr. President, I do not believe that the Senate has ever in all its history held the confidence of the people in higher esteem than to-day. There was a time when this body reacted immediately and favorably by a very large majority to the wishes and desires of certain special interests. There was a time when the Senate was called the "Plutocrats' Club." There was a time when it might have been in disfavor among the great masses of the American people. There was a time when special privilege entered this Chamber, assured that it would be protected. But to-day the Senate is more responsive to the will of the American people than ever before. It is re-



sponsive at this particular time because a group of forward-looking and progressive men on the other side of the Chamber, inspired by a purpose to serve the whole country and to give equality of treatment to every class and industry in the country, are willing to join with us over here and force the legislation through. Of course, there are still some on the other side of the aisle who have been repudiated day after day in this body, who would still listen to the voice of those who sit in the big offices and try to exact greater privileges from the Government.

That is what is the matter with the Washington Post, Mr. President. It is not often that its editorial columns contain favorable expressions about the Senate of the United States, and especially has it been true during this extraordinary session of the Senate that it has condemned our action. It was against us in our farm-relief policy. It has been against us in our fight to equalize the duties so that every industry and every class of our people might be treated fairly by the Government. The Post has said that this group of progressive Republicans and the Democrats have betrayed the farmers; that they have not met their promises to the agricultural elements of the country.

Mr. President, the Washington Post will never make the farmers of the country believe that. Higher rates are carried in the bill for the agricultural interests of the country than in any prior bill, and to clinch that proposition we have given them the debenture plan in order to make the rates at least in part effective. If the fight we have waged for farm relief in connection with the farm relief bill had been successful, and if we had been able to force the adoption of the debenture plan at that time, the wheat farmers and the cotton farmers and other agricultural interests of the country would to-day be getting greater consideration with better results than they are now at the hands of the board which is now operating.

There is to-day a subtle plan chartered, upon the part of certain people who dislike what has been done during this extraordinary session of Congress, to belittle the Senate of the United States, to make light of its achievements, to put it in unfavorable light before the country. It is a plan to throw up a smoke screen in order to cover up what others in high places have done or have failed to do in this great crisis. That is a part of the plan of this newspaper in the city of Washington. We know propaganda when we see it. Those of us who have been in politics for more than a year can see it when it is written by the special newspaper correspondents who dine at the White House and who take fishing trips down into Virginia with the President, and then with their subtle pens write this propaganda, hoping that they might create an impression in the country unfavorable to the Senate and favorable to some one else in high places. I could mention by name some of the special writers, and the time may come in the Senate when we will mention them by name, who are creating such propaganda. They are as well organized as were the propagandists under the leadership of Grundy in his fight against the tariff bill.

This editorial is a part of that plan to try to put the President of the United States in a favorable light before the farmers of the country and the business interests of the country, and in order to do so they think they must tear down the work of this body. The Senate of the United States has always been a great body. It is the forum that guarantees at this time the rights of the great masses of the American people.

In the past year the agricultural interests have tried out the other party in the body at the other end of the Capitol for relief, but they did not get it. They are getting it now at the hands of the Senate, and they are getting it over the protests and the determined opposition of the President of the United States. The Washington Post and the so-called correspondents who write their special articles—not all of them, but some of them, and the boys in the press gallery know who they are—can not fool anybody, but they are trying to put us in a false light.

Mr. Babson! It was a part of the scheme of Doctor Babson, who bought lands in Florida and prophesied in his radio talks and in his newspaper articles that the great boom in Florida was going to last five years longer than it did. He has perhaps made more mistakes in his prophecies than any man who ever prophesied. I do not know whether he is trying to get from under the blame for the failure of his prophecies. He has advised investors to invest in certain stocks. He gets paid for that advice. He runs an investment service. Many of the people who have lost money because they followed his advice are blaming him, so he comes out with this broadcasted statement that the Senate of the United States is the cause of the great financial catastrophe in New York City. If he can make the country believe it, he may continue to hold his clientele among the investors of the country who have paid him an annual fee and as a result of which he has reaped a financial harvest.

Then, too, in order to blacken the Senate and bring it into disrepute, if he can, with the business people of the country, Doctor Babson holds the President of the United States up and says, "Give him carte blanche authority to do what he wants to do in this crisis and let the Senate adjourn." He pays the President a high tribute, and yet Mr. Babson knows, and every business man in New York and everyone else who was caught in the stock-exchange debacle knows, that the President sat quietly by when stocks were crashing down and down daily and did not lift his hand or raise his voice to stop the devastating result, or offer assistance to those who were working night and day to restore confidence.

I do not want to condemn the President in this delicate situation, but his satellites must not go out and try to put him upon a pinnacle by lowering the Senate of the United States. Babson can not fool anyone with such writings as that. Anyone who in the future would pay Doctor Babson anything for his services is either a knave or a fool. He has gone wrong in practically all of the prophecies he has made. It is said that he predicted the crash. If I predict, Mr. President, that you are going to die some day, it will happen, and that is about how it was with Doctor Babson's prophecy.

The Washington Post editorial says that the Democrats have played politics. We have not played politics. The Democratic Party in the consideration of the tariff bill has been more conservative than ever before in the history of the party. The Post is trying to create unrest and dissatisfaction among the business people of the country over our action.

Senators on the other side of the Chamber know that up until this good hour we have not reached individual amendments to the bill. We have only voted on Finance Committee amendments, and in 9 out of 10 cases they have proposed increases in rates over the present law. We have only considered those proposed increases. In the rarest instances have there been decreases. The fight has been waged against the increases above the present law. Based upon what we have heard, the business people of the country, with some few exceptions among those who are getting special privileges from the Government through the higher rates carried in the present bill, are pretty well satisfied with the present tariff law now on the statute books. So if we have voted only on those increases, and if many increases have been made and practically no decreases under the present law have been made, how can anyone with justice say that the action of the Democratic Party and the progressive element over on the other side of the Chamber has been to attack business, to create industrial confusion and economic unrest in the country? They can not say it truthfully, Mr. President, and they can not threaten us and frighten us and cause us to change our future policy from that of the past.

Playing politics! Taking too much time! Of course the confusion on the other side of the Chamber has caused some uncertainty in the minds of some people as to what is going to happen, but do not blame us for the confusion that exists on the Republican side of the Chamber.

We are not the cause of the birth of the new group. Do not lay at our door the division that has arisen in the Republican ranks. We are not to be blamed for that.

Ah, Mr. President, the country ought to know that when the Fordney-McCumber bill was before the Senate the consideration of that bill by this body required four months; that when the Payne-Aldrich bill was before the Senate its consideration in this body required more than three months. The only tariff bill whose consideration in recent times required only around two months was the measure which was known as the Underwood-Simmons bill. The expedition in the consideration of that bill was due to the fact that the Democrats were united on it; they had a fixed plan; they stood together; they were joined by some progressive Republicans; they overpowered the opposition on the other side, and quickly passed the measure. The sentiment of the country at that time was so ripe for a revision of the tariff that the opposition sat quiescent and permitted the bill to pass in a very short time.

The pending tariff bill up to this hour has been before the Senate for only two months. We have been working upon it from 10 o'clock in the morning until 10.30 o'clock at night at times. We on this side of the Chamber have placed no obstruction in the way of its hasty consideration. There is not a Senator on the other side of the Senate, I care not even if he be a member of the Old Guard, but knows that we have tried to cooperate in order to expedite the speedy consideration of the bill; and yet some persons would create the impression in the minds of the people of the country that the Senate of the United States is adding to the condition of unrest and disquiet in the country; that it is playing politics in this great crisis.

Mr. President, only a few nights ago, at the invitation of the Secretary of the Treasury, the Senator from North Carolina



[Mr. SIMMONS], the ranking Democrat on the Finance Committee, and myself, coming next to that Senator on the committee, as well as Mr. GARNER, of the House, together with certain Republican leaders of the committee from this body and members from the other House, were invited to sit in a conference with the Republican Secretary of the Treasury. That was at a time when stocks had declined in New York and the crash was on; when anxiety was in almost every heart; when it was feared from one end of the country to the other that an industrial panic would result. The Secretary of the Treasury said, "We want to do something to restore confidence; we would like to send out from this meeting a statement that a tax reduction law is going to be passed, and we would like to have the approval of the Democrats of such a course."

We gave it unhesitatingly and unreservedly. Did we play politics then? No. We thought our cooperation with the Republicans would help the administration to maintain economic stability in this country; that it might relieve some of the chaos, confusion, and unrest existing in the minds of our people. We have not played politics. We have tried to help write a tariff bill that would equalize duties to all the industries and all the people of the country. We have done mighty well, and all the propaganda that may be started through editorials, and from so-called Republican speakers who do not know the situation, and statements emanating from special correspondents who are close to the White House, which may try to create an unfavorable impression against the Senate, will not be able to do it, because such propaganda will not be substantiated by the facts.

Mr. NORRIS. Mr. President, I think in considering the editorial in question we ought to consider its source. We ought to realize that the Washington Post is owned, controlled, and published by Mr. McLean, a man who from the time of his childhood, when he left the cradle, has led a life of dishonor and disrepute, who, everybody knows, is a real pervert.

When one of the greatest crimes of modern days was being perpetrated, when the Government of the United States was being robbed of practically a billion dollars' worth of the public domain, when, through the treachery of a high public official, the Government of our country was being robbed of those resources that we thought we were preserving for a day when danger or war might come—when that crime was being perpetrated it was Ned McLean who came to the relief of a man in high place in governmental affairs who was selling out his country. It was Ned McLean, the owner and the publisher of this sheet, who lied to the committee of the Senate, who made statements which afterwards were proven and admitted to be false in order to mislead the investigating committee and to shield the man who was robbing his country. And so when the truth is known by the people every condemnation of this body that comes from the lips of that man will add to its good reputation for honesty and will add to the honor of the men of the body he assails.

Mr. President, the amount of money involved in the transaction in which McLean tried to shield the thief and deprive his country of a vast property was greater than the value involved when Benedict Arnold betrayed his country; more than twice the value was involved in the McLean false testimony than was involved when a fort in New York was about to be turned over to our enemies by a traitor in our midst.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I will yield in a moment.

Mr. President, it might have well occurred that if the oil preserved in the ground in the naval oil reserves had been taken away and stolen, as Sinclair, Doheny, Fall, and McLean were trying to have it taken away and stolen, it would have brought in future years defeat to our arms greater in magnitude than would have come had West Point been turned over by Benedict Arnold to the British. I now yield to the Senator from North Carolina.

Mr. SIMMONS. I merely wish to suggest to the Senator in connection with what he has said about McLean that I think the Senator would do well to develop that he did not retract his statement intended to help out the participants in this crime until he found out that he was going to be put under oath and that if he swore to what he had stated as a fact he would be guilty of perjury.

Mr. NORRIS. I thank the Senator.

Mr. HEFLIN. Mr. President, not only that, if the Senator from Nebraska will permit me—

Mr. NORRIS. I yield.

Mr. HEFLIN. But it was stated that he was not only told that he would be put under oath but that he would be sent to the penitentiary for perjury.

Mr. NORRIS. The point suggested is well worthy of consideration. While it may not add to the magnitude of this man's degrading moral crime, it shows that his heart is corrupt and that the only thing that makes him good and made him good then was fear of imprisonment in jail.

Yes, I will say to the Senator from North Carolina that McLean had lied to the committee, believing that that lie would mislead them and let the culprits escape, but when the committee refused to follow his lying tale and issued a subpoena for Mr. McLean to come before the subcommittee of the Committee on Public Lands and Surveys and be sworn, what did he do? He wired to Washington for his attorney, and his attorney went all the way from Washington to Florida to be present when he testified before the subcommittee. When the hour came when McLean was to appear to be sworn, his attorney appeared and said that the witness was not quite ready to testify; he wanted further time to consult with his lawyer. So the time was extended, I think, until the afternoon, or perhaps the next day. Then, after McLean had had ample opportunity to consult with his lawyer, when he knew from what his lawyer had evidently told him that if he lied he would commit perjury and if he tried to substantiate the lie he had already told when he was not under oath—and now he would be under oath—then, and only then, with the fear of prison bars before him, did McLean tell the truth. The fact of telling a lie did not mean anything to him. He has been doing that all his life; but prison punishment for perjury induced him on that occasion to tell the truth.

Mr. President, that is the man who owns the Washington Post; that is the man who controls the Washington Post. All we want to do is to let the people of the country know that the man who has assailed the Senate, as he has done in that disgraceful, lying editorial, is the same man who tried to rob his country of a billion dollars' worth of property, or, at least, if he did not try to rob it himself, he tried his best to have the guilty ones escape proper punishment. All the country ought to know is that it is McLean who assails us; and when he praises the Chief Executive, I pity the Chief Executive. I believe that the praise or commendation of any public official or private citizen coming from the editorial columns of the Washington Post is something that honest men would shun as they would shun a serpent. I have nothing but pity for those he praises, and when the country understands the facts they will have nothing but praise for those he condemns.

Mr. SACKETT. Mr. President, I asked to have printed this editorial from the Washington Post for a definite purpose of my own. I feel that the country to-day is looking at the Senate with perverted eyes.

We heard yesterday the exhortation of an individual who sought to condemn the Senate and asked that it be sent home. That was Mr. Babson. This morning there comes an editorial from a reputable newspaper published at the home of the seat of Government. That editorial derides and abuses every group in the United States Senate, without exception. It seeks to place before the people the blame for the business failure in this country which has just taken place upon the discussion of the tariff in the Senate.

I am sorry that my purpose was misunderstood, as was apparent from the first speech made. I felt that I wanted to say in regard to the Senate a few things that my own experience here has brought poignantly to my attention.

We were called into special session for a definite purpose. The Finance Committee, of which I happen to be a member, immediately took charge of the tariff bill when it came over from the House; and all summer long, day and night, the members of the Finance Committee worked earnestly and faithfully to try to give to the country such a revision of the tariff as, in the judgment of the Senate, business conditions warranted.

Whenever a great bill like a tariff bill is before a House of Congress there is a certain unsettling of business conditions which makes for uncertainty in trade. People are afraid to commit themselves to the future in the manner that they are unafraid to do when there is no great measure like the tariff pending. It brings about a hesitancy. The Members of the Senate in their conversations recognize that difficulty. They have recognized in speaking to me, almost everyone with whom I have talked, that it is a necessary concomitant of every great measure which has to do with financial affairs when it is pending in the Congress.

The editorial which was published this morning in a reputable paper does not, in my judgment, seek out an individual group. As I read it it excoriates every single group that has been denominated in this body. I think the country ought to know that it has been the experience of those of us who have had to work closely upon this bill that the attention of every man has been given without stint to try to bring through a measure and



relieve the country from any uncertainty that is bound to hang over it as long as it remains pending.

I do not believe that an examination of the RECORD will show a filibuster against this bill. When we have a bill which treats more than 7,000 questions in the matter of rates, when we have a bill that it took the majority members of the Finance Committee more than seven weeks to go through hurriedly in the quiet of a committee room, I believe that it is unfair for anybody in this country to criticize the Senate in the manner of this editorial because they have not been able to finish that job.

I think the Members of the Senate feel that it is necessary for them to relieve the country of the pendency of this measure at the earliest possible moment; but I do not think it is fair to excoriate men who have worked night and day, and latterly, under the double pressure of night sessions, to try to bring about that result.

In my business life I have always noted that when a measure of this kind was pending it had a serious effect upon the commercial life of the country; but I think we have yet to find, as to this measure, where there has been a deliberate attempt among the membership on either side of this Chamber to delay that measure unnecessarily. The results of the work of the Finance Committee may mean the making or the breaking of industries and agricultural life in this country. We can not afford to take snap judgment upon any of those rates. It requires close application. I think the men who comprise the Senate, when it is considered that they represent the interests of the entire country, that each of them has his own local interests to consider, and the prosperity of the section from which they come, have borne with each other remarkably well under the stress and pressure of this bill; and I do not think it is fair that any of us should be held up to ridicule, or that politics should be played in trying to bring about the passage of this measure.

For one I had hoped that the Senate would stay in special session until the last moment in order to add to the possibility of a quick enactment of the measure. I thought it meant more to the business of the country to get it off our hands and out of the way, and let business affairs be settled, than any other thing before us. I submit to the judgment of the Senate, and I submit to it without playing politics, because personally I know little of politics. I have not been brought up in that school. I have not seen—and I want to say it to the country—any effort, from any source, to delay the tariff bill unnecessarily.

I think it is only fair that the country should know—and I do not know anybody who is in a better position to tell them than I am myself, because I have sat on the Finance Committee—that there has been a genuine effort to give to the country as good a bill as the composite judgment of men who represent every section has been able to formulate.

Personally, I could not agree with some of the rates that were incorporated in the House measure. I have made my arguments and tried to bring about a reduction in some of those rates. I think we are justified, under the special call of this session, in examining the conditions of each industry presented to us. We were asked to make a limited revision of industrial rates. That is an indefinite term. For myself I had to find a formula which I thought indicated a limited revision. In seeking that formula it seemed to me that this country had lived so long under a protective tariff that the industries themselves had been properly protected as a whole; that if a limited revision were needed it was not primarily in relation to the capital invested in the business, but it went further and affected the entire population.

That formula which I was able to deduce from the special call took this form—that in examining an industry for tariff revision we should first determine whether in any branch there had come definite unemployment; that abnormal unemployment was the criterion from which the general interest of the country was to be sought. If unemployment appears in any industry, then in my judgment the next question is whether that unemployment was brought about by internal competition among the individuals engaged in that industry, or whether that unemployment was brought about by reason of increasing imports affecting that industry. If it was brought about by internal competition, I felt that no tariff readjustment could be of value to that industry; but if it was brought about by increasing imports, then it became the duty of the Senate to determine whether a raise of duty would bring about such a change in that industry that employment would increase, and the opportunity to earn a living would be given to more people in this country.

That is the formula I have tried to follow in seeking either to raise or to lower the duties in this tariff bill. I do not

know that that is subject to criticism, but if it is I shall have to take that criticism. I do say, however, that the Members of the Senate have been working industriously and giving generously of their time to bring about, as nearly as possible, an ideal situation.

I do not think the actions of the Senate warrant the tirades that are being offered upon it by those people who have suffered in the debacle which has lately taken place in business in this country. They have tried to do a genuine job; and it is up to the people of the country to support their duly elected representatives in an effort to bring about a satisfactory, a quick, prompt solution of this great industrial and agricultural question.

Mr. JOHNSON. Mr. President, when the incident first arose to which we have adverted this morning, because the Senator from Kentucky [Mr. SACKETT] stated substantially that he desired to present the editorial in question to be read at the desk without comment, and in order that the country might know what was being said concerning the Senate, I assumed that he sponsored that editorial. From the speech he has now made, and from his utterances, that assumption is shown to have been apparently erroneous, and the incident, so far as the editorial is concerned in its original presentation, may be, I think, dismissed.

Mr. President, I am the keeper of neither the dignity nor the honor of the United States Senate. I represent a bloc of one, just one. Sometimes I have felt impelled to vote with one kind of bloc in the Senate, and sometimes with another. But there is one thing that has impressed itself upon me in the last few months, one thing, sir, that I am sick and tired of hearing.

In the economy of nature the most wretched and contemptible creation is the bird that fouls its own nest, and, while I have not ascribed such a thing to any individual in this body, I am sick and tired of innuendoes, implications, and even statements from men who break their heads and their hearts and their purses to get into this body and then denounce it.

When I get tired of sitting in the Senate, Mr. President, I will quit it. If there is any man who sits here who believes the Senate is such a horrible place as has been described by certain individuals who write from the White House door, let him get out of it. There is no law compelling him to remain here, and none compelling any of us to stay here under circumstances that may arouse either our indignation or our hostility or our contempt for this body. As long as a man sits in this body, as long as he spends of his substance to get here, as long as he perverts his politics in order that he may return here, at least he should not, either by implication, insinuation, or otherwise, condemn all of his fellows by a blanket indictment, assuming to himself alone the sole possession of all the virtue that there is in this world.

I would like to say to the gentlemen who are standing in line in the endeavor to get into this body—for they are standing in line in every State in this Union, hoping to fill the positions which we fill here—I would say to those who have caught the prevailing notion, perhaps, from some individuals in our body, of abusing the United States Senate, "Why do you want to get into an institution of this sort that possesses so many vices and none of the virtues?"

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. COUZENS. I hope the Senator will not overlook the fact that all those men want to reform us. The Senator seemed to overlook that.

Mr. JOHNSON. All want to reform us! All want to reform us! They want to get into this body with the idea that they, with their possession of a superior egotism and vanity, and with a virtue that armors them that can be pierced in no fashion whatsoever, are coming into this body for the purpose of reforming 95 men, and demonstrating, at the same time, what marvels they are.

There is no law that requires us to be here, sir. We are here because we like it, and because we fight to get here, and because the job is attractive and ministers to the egotism and the vanity that God put in every one of us.

We are here in the endeavor to do some little service, it is true, and to do that service as best we can in our own small way, but we are here, sir, primarily because we fought with both fists to get here, and every one of us is fighting with both fists to remain here. So let us have an end of any man in this body in the future condemning the body, arrogating to himself a superior virtue, and arrogating to himself, too, a peculiar superior egotism and vanity. Let us have an end of that sort of thing, for heaven's sake. Let any man in this body who does not like it, or who subscribes to such an editorial as appeared in the Washington Post this morning, get out of it, and go and



breathe a freer atmosphere, and leave us to breathe a better atmosphere by reason of his absence.

Mr. SIMMONS. Mr. President, next March I will have been a Member of this body 29 years. There has been a great revolution in the body since I came here, not only in its personnel but in many of its essential attributes.

When I came here the House of Representatives was regarded as the forum where the people expected and looked for the protection of their rights, and the Senate was regarded as the tribunal where what were called "the interests" expected protection and support. That situation has changed. The House now is the place to which the special interests go for help. The Senate is the place to which the people come for relief.

The intellectual standard of the Senate to-day is as high as it was when I first came here. The moral standard of the Senate to-day is in my opinion higher than when I first came here.

The spirit of patriotism which obtains in this body, of fidelity to the rights of all the people of the country, without regard to occupation or to class, was never higher in this body, in my opinion, than to-day. In all the essentials for successful and wise legislation the Senate of to-day will measure up to the standards of the body in any period in our history.

Mr. President, the situation in which we are to-day with reference to the expeditious passage of the pending legislation is largely the result of the abdication on the part of the body in which this legislation under the Constitution must originate of its obligations and duties to the people. I do not mean that observation in any spirit of criticism of the House, but it is a fact very well known.

This tariff bill was in committee in the House from the 7th day of January to the 9th day of May, if I am correctly advised, a little more than four months. During that period of time, although Congress was expected to be called into special session for the purpose of helping agriculture, and its chief business was to be the passage of a bill which was then under preparation in anticipation of an extra session, the representatives of agriculture consumed very little time in the committee. The interests, which were not supposed, either by the President or the Congress, to figure to any considerable extent in the proposed revision, took possession of the committee, and for nearly four months they were very insistent in their demands that every duty in the law which was not as high as they desired to have it should be raised. The greed which they demonstrated in those hearings became a matter of common knowledge and daily comment and criticism not only in the Congress but in the press and among the people of the country who were familiar with what was going on.

In that way four months were consumed in considering amendments to the tariff bill, resulting in a bill which dealt directly, by amendment, with about 2,000 items. It took four months to draw those amendments to the present law. The great forum of the people, the House of Representatives, intrusted by the Constitution with the duty of originating such legislation, when that bill reached it in the regular course, devoted just about one week to its discussion and consideration, I am advised. A travesty!

Think of a bill containing 4,000 items, involving taxes upon the people, imposing burdens upon the masses, granting favors to special interests, many of them dictated by special interests, received in that body, traditionally regarded as the forum of the people, considered and passed after one week's discussion and consideration. Then it came to us.

Upon what theory does the other branch of Congress justify its abdication of its obligation to the people? There is but one, Mr. President, and that is the theory that when the bill gets to the Senate it will be given that consideration which it is entitled to and failed to receive in the other body. It is this burden which has been thrown upon us—the burden of re-writing a bill that deals with thousands of items and thousands of commodities. We have largely rewritten it, discussing the items as they should be discussed for the enlightenment not only of Members of the Senate who have not the time to look as carefully into them as the Finance Committee have done, but for the enlightenment of the people of the country as well.

We have up to this time taken two months in the discharge of that duty. I undertake to say that no two months have ever been spent by this body more usefully so far as the country and the people are concerned than these past two months. Nearly one-half of that time was spent upon the administrative provisions of the bill. There were involved in these provisions two great fundamental principles in which the people of the country are deeply interested. One of them was a constitutional question of tremendous import that called forth the greatest debate I have ever heard in the Senate during my service. The question was whether the people of the country,

through their Senators and Representatives in Congress, were to continue to control the purse strings of the Nation, to determine and fix the taxes the people should be required to pay, by open discussion and vote after due deliberation of the rights and the interests of the people, or whether those taxes should be imposed by a single individual with the help of a body appointed by him and subject to removal by him. It was not a question personal to the man who now happens to hold the great office of President of the United States. The controversy was one as to investing the executive department with a power so vital to the whole body of the people of the country, and changing the practices and precedents of nearly 150 years, if, indeed, what was proposed to be done was not in violation of the Constitution itself. Of course, that question needed discussion. We would have been derelict in our duty if we had not given it the fullest and freest discussion.

The other great question was one that fundamentally affects the interests of the one class of our people who are suffering most at this time and whose condition is admitted to be one of great distress. What we did with reference to the debenture was chiefly for the purpose of making effective the legislation which we were called here to enact with reference to the rates of duty imposed upon the products of agriculture. That question, therefore, assumed proportions of great magnitude and importance and hence required time for its consideration. Not one minute was wasted in the discussion of that question. That brought us on to the consideration of the more than 2,000 items which had been affected by the House revision of the tariff law.

Mr. President, true to the purpose for which this session of the Congress was called, we sought early in the session to confine the legislation chiefly to the revision of the agricultural schedule. We were not successful in accomplishing that result. That is the reason and the only reason why we are held here so long. If we could have carried out the purpose declared by the President, if we could have carried out the purpose desired to be carried out by a large element in this body, constituting at that time not quite a majority, we would probably have been adjourned by this time and at our homes. But we were not permitted to do that. Who prevented us from doing it? It was not the President of the United States. It was not the farmers of the country. It was the special interests, those seekers after special privilege, those industries which desired higher taxes upon the people in order that their profits and their prices might be maintained at the present or even a higher level. We have finished the agricultural schedule. We have adopted the debenture plan. We have done what was needed to be done for agriculture so far as rates upon its own commodities are concerned and so far as making those rates effective is concerned.

Are the farmers of the country dissatisfied with what we have done? We came here for the purpose of helping them. We have not altogether finished our legislation in their behalf. We will not finish that work until we shall have cut down the exorbitant rates upon things they buy which are carried in the House text and the Senate committee amendments. But is there any farm organization in the country to-day that is complaining about what the Senate has done with respect to the bill? Are they claiming that we are incompetent, that we are not to be trusted with discharging the functions and duties of this great body? I have heard of no such complaint. The farmers are satisfied. They are satisfied that we in the Senate at least have up to this time discharged our full duty toward them. Where does this propaganda come from—for it is nothing but propaganda against the Senate, charging it with general inefficiency and incompetence—and what is the motive and inspiration for it?

When we had fixed the rates in behalf of the farmer we then realized that the farmer and consumer both were deeply interested in the reduction of the high industrial rates carried in the House bill and that no relief could come to the farmer by raising the rates we had placed upon his products unless at the same time we could prevent outrageous increases in the rates upon the things which he buys. The consumer, on the other hand, felt and knew that no relief would come to him from the passage of the bill unless the exorbitant industrial rates were reduced. So we began, in response to a demand on the part of the farmers and the consumers, to discharge our further obligation and duty to them and to that end to slash those rates.

The big favor-seeking interests represented by their lobbyists here, Mr. Grundy and others who are now under investigation by the Lobby Investigating Committee, discovered that the Congress, so far as the Senate is concerned, was not going to give them the increases which they demanded. They were satisfied to permit the farmer to have his increases if they could have theirs, which would render his of no value to establish parity;



but the moment they discovered that there was no chance for them to control this body as they had probably controlled another, discovered that a majority of this body was standing like a stone wall against the demands which they had been so successfully making before the committees of both bodies of the Congress, they lost all hope of securing what they wanted, and then for the first time they became dissatisfied with what we had done for the farmer, and then for the first time they turned their guns upon the Senate and began their vituperation, their denunciation, and their infamous slanders.

Mr. President, their attacks have now assumed a form of propaganda. I do not think we need pay so much attention to what certain newspapers are saying about this matter; I do not think they are succeeding in misleading the people; but it is perfectly evident that there is an organized propaganda. I do not say it is being resorted to for political purposes, but I think big business, disgusted and dissatisfied with the Senate because we would not respond to its wishes, because the Senate was a lion in its path in securing what is desired, has begun this propaganda. It is trying to discredit this body. It can no longer control the Senate as it did in past years. The Senate is no longer the citadel of privilege as it was in other times. It has become the forum and the refuge of the people. Therefore big business has turned its guns upon this body, as it turned its guns upon the House of Representatives in the old times when that body was truly representative of the rights of the masses of the people.

Mr. President, those favoring excessive tariff rates have even gone to the extreme of trying to convince the country of the impropriety of the action of the Senate in reasonably debating questions that the House has refused to discuss, but that need discussion, involving the imposition of 2,000 new additional duties upon an already overburdened and tax-ridden people. They would like to see the Senate pass practically without discussion this bill which had only about a week's discussion in the other body.

What would the people of the United States say, and what would they have the right to say about this body when it was sought to impose these burdens, carrying with them taxes upon the people estimated to be more than a billion dollars a year, if the Senate had followed in the footsteps of the other House, if we had abdicated our duties and obligations to the people, and had passed the pending bill hurriedly, without even an attempt at discussion or real analysis and scrutiny of the rates that would impose those burdens? If we had done that, Mr. President, the people would have had the right to have pointed the finger of scorn against us, to have called us traitors, hypocrites, time-servers, and the tools of the special interests which had proposed and procured these rates that we are now trying to reduce.

Mr. President, we are seeking to give to agriculture what both parties promised it should have with reference to rates on agricultural products, and so when we reached the consideration of the rates on the industrial commodities we decided we would take all the time that might be necessary to show that those rates are too high, and we intend, if the rates upon products that the farmer buys are too high, to see that they are brought down to the proper level, in order that the increases we have given to the farmer may be effective, in order that those increases may not be offset and rendered useless by increases in the already excessive industrial rates, as contained in the existing law. We did not in the campaign say to the farmer, "We will raise your rates, but at the same time we will raise the rates which are imposed upon the things which you buy." We did not say that. We said—and when I say "we" I mean the two great political parties of the country—we said, "While at this time the protection that you enjoy is not equal to that which has been accorded to the industries, while the rates on farm products are not equal to the rates imposed on commodities which you have to buy, we will, so far as practicable through the tariff, so revise the rates as to put you upon a parity with industry with respect to tariff duties as far as that is possible and practicable."

That is what we on this side in cooperation with progressives on the other side are trying to do, Mr. President; and, as the Senator from Nebraska [Mr. Norris] so eloquently said here a few days ago, we can not possibly accomplish that purpose unless we shall reduce the rates of the House bill upon the commodities which the farmer buys.

Mr. President, it may be said that when we passed the farm relief bill we had done all that we ought to do, all that we were called in session to do, and all that the party platforms enjoined us to do for the farmer. If that be true, why did the

President of the United States insist that, in addition to farm relief legislation, we should also pass farm relief tariff legislation?

Are we responsible, Mr. President, for what has happened in Wall Street because we have pursued the course which has been pursued here? When did Wall Street and those who are engaged in this propaganda discover that we were responsible for what has happened there? When did they discover it? They did not discover it until, in the speculation in Wall Street, the peak of high prices had been reached and the market had begun to fall. When did the administration discover it? Here, after weeks and months, when everybody knew that Wall Street speculation was draining every neighborhood and community throughout the country of its funds in order to support this orgy of speculation that was going on—what was the administration doing? What was the Secretary of the Treasury doing? Was he or the administration doing anything to stop it? No, Mr. President; on the contrary, day after day, as stock prices went higher and higher, day after day they gave out statements assuring the people of the country that everything was on a sound, safe, and sane basis, and there was no reason for apprehension. Did that tend to check that speculation? On the contrary, did it not tend to stimulate and encourage it? I do not say it was so intended, but it fortified it, it stabilized it, it encouraged it, it even stimulated it; and that went on until the tumble started. What happened then? The victims, the men who supplied the money for this speculative orgy, from every quarter of the country, men of small means of speculative turn of mind were rendered, in many instances, penniless, sheared like sheep by the speculators in New York, and when the shearing was complete, when the stockbrokers of New York had finally to go down in their own pockets and cover losses by giving up a part of the profits derived from the high prices to which they had advanced the market, then, Mr. President, they began to cry out, "Stop it! Stop it! It has gone so far the other way it is out of our control. Help us! Help us!" Then it was, and not until then, that the administration came to the relief of the situation, after the shearing was complete; and it was not until after this scheme of robbery and plunder had come to an end—and that is what the process of raising stock prices to such high peaks and then dropping them down and making the little men of the country pay the cost was—it was not until then, when the sheep were all sheared and the big speculators themselves began to feel the pinch of the falling market, that any activities such as we now have on the part of the administration were begun.

In this situation, Mr. President, no one can say that the Senate has had anything to do with that orgy of speculation in New York or anything to do with the collapse of that orgy of speculation, resulting in fortunes of millions of dollars to some of the big promoters and operators and in losses of billions on the part of the people of this country who were of a speculative turn of mind or who were duped and intrigued by the psychology of the situation to enter into speculative ventures.

Mr. FLETCHER. Mr. President, will the Senator allow an interruption?

The PRESIDING OFFICER (Mr. Jones in the chair). Does the Senator from North Carolina yield to the Senator from Florida?

Mr. SIMMONS. Yes.

Mr. FLETCHER. The Senator will recall that member banks of the Federal reserve system in New York which were making large profits on the high rates of interest refused to abide by the suggestion and advice of the Federal Reserve Board. They went outside, and said, "We will not admit that you have any authority or any power in the premises; we are going to run this thing ourselves."

Mr. SIMMONS. I do not desire to comment upon the Federal reserve system. I was speaking, Mr. President, about the political and business agencies of this country, with which, however, it is not at all improbable that certain New York bankers were connected—

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Virginia?

Mr. SIMMONS. I yield.

Mr. GLASS. I want to suggest that the statement of the Senator from Florida was rather broad when he said the member banks of the Federal reserve system in New York did that. My trustworthy information is that the member banks did not do it, but that Mr. Charles E. Mitchell, of the National City Bank, was the chief offender, and he is the man more responsible than all others together for the excesses that have resulted in this disaster.

Mr. SIMMONS. Mr. President, those who are most responsible for this catastrophe are the people who, after they found what was going on, encouraged it by trying to lull the fears and apprehensions of the people and put them to sleep with the idea that there was nothing wrong and that everything would be settled satisfactorily in the end. They are the ones who are most to be condemned.

I do think the banks had their share of responsibility for it as well as the political authorities. Certain representatives of big business were interested in boosting their stocks listed on the market; but, Mr. President, the banks bore their part of the responsibility. The banks encouraged it by sending their own money up there, by setting an example to the people in their communities. The little banks and the big banks and the Federal reserve banks and all the banking system encouraged it; and they did not discontinue that encouragement until the thing reached the peak of the pyramiding, and then they began to cry out. Then they began to gather in their profits, and to fix the blame. It had to be fixed upon somebody, and they have decided upon the absurdity of trying to make the Senate of the United States the scapegoat.

There never was a more outrageous attempt of men guilty of great wrong and outrage upon the people to shift the burden upon those who, instead of hurting the situation, have been industriously and intelligently working in order to help, not a speculative situation, but an industrial condition which has been fraught with more misery, which has brought more poverty, which has caused more millions to mourn, than any panic we have ever had in this country, the direful results of which, compared with what has resulted from the collapse of the stock market in New York, are like comparing a mountain to a mole-hill.

We were engaged, Mr. President, not in bolstering up speculation in Wall Street. Others were doing that. Others who are now pointing their finger at us were doing that. Others who are now encouraging this propaganda of slander against us were doing that. What we were doing was trying to relieve the people of the United States of a burden that has borne them down for many, many years, kept the masses in poverty, and enriched the classes—a condition that the bill we were considering, as written by the House and amended by the Senate Finance Committee, was calculated to aggravate rather than to improve an outrageous condition of discrimination in favor of the favor-seeking interests which the Smoot-Hawley bill would supplement and make more effective in the further enrichment of the classes, and the further impoverishment of the masses.

Mr. HEFLIN. Mr. President, in reply to the infamous attack made upon the Senate by one Roger Babson, followed by the slimy, slanderous, and infamous attack by Ned McLean's paper, the Washington Post, I wish to read a statement from a former President of the United States, Mr. Coolidge.

In his autobiography, he says of the Senate:

Presiding over the Senate was fascinating to me. That branch of the Congress has its own methods and traditions which may strike the outsider as peculiar, but more familiarity with them would disclose that they are only what long experience has demonstrated to be the best methods of conducting its business.

It may seem that debate is endless, but there is scarcely a time when it is not informing; and, after all, the power to compel due consideration is the distinguishing mark of a deliberative body. If the Senate is anything, it is a great deliberative body, and if it is to remain a safeguard of liberty it must remain a deliberative body.

I was entertained and instructed by the debates. However it may appear in the country, no one can become familiar with the inside workings of the Senate without having a great respect for it. The country is safe in its hands.

Mr. ASHURST. Mr. President, who did the Senator say is the author of that article?

Mr. HEFLIN. Calvin Coolidge, former President of the United States.

HON. WALTER E. EDGE, AMBASSADOR TO FRANCE

Mr. KEAN. Mr. President, a great honor has been bestowed upon my colleague the senior Senator from New Jersey, as well as a great responsibility.

I wish to congratulate Senator EDGE on his appointment to represent this great country as its ambassador to the Republic of France.

Senator EDGE's career has been most noteworthy, and it should be an inspiration to every young man starting on life's journey.

As a boy he was attracted to the field of the newspaper, and, as a natural step, to that of advertising, which he has made his life work, and in which he has been eminently successful.

Early in life he became interested in affairs of the State. He served as journal clerk and as secretary of the New Jersey Senate.

When the War with Spain was declared in 1898 Senator EDGE volunteered for service and was commissioned as a second lieutenant in the Fourth New Jersey Volunteer Infantry. He served throughout that war, and after peace had been declared he still retained his interest in military affairs, becoming a captain in the Third Regiment of the New Jersey National Guard.

Senator EDGE has served his State and party with distinction. He has been a presidential elector, an alternate delegate at large, and as delegate at large to several Republican National Conventions.

Elected to the House of Assembly of New Jersey in 1909, Senator EDGE served in that body as its leader, a most unusual honor to be conferred upon a new member. The following year Senator EDGE was elected to the State senate, serving in that body as majority leader and as president. In 1916 Senator EDGE was elected governor, and served the State as its war governor during the World War.

Senator EDGE's record as governor of the State is one that any man might envy. It was his thought and conception that caused the bridge across the Delaware River between Camden and Philadelphia to be constructed, that caused the tunnel between New York and New Jersey to be constructed, and caused the agreement between the States of New York and New Jersey for the organization of what is known as the Port of New York Authority. These great enterprises for the convenience of millions of people who are using them every day will always be remembered to his credit by this and future generations.

The record of Senator EDGE in the House of Assembly of New Jersey, in the Senate of New Jersey, as Governor of New Jersey, and in the Senate of the United States is one of intelligent and constructive statesmanship, and it is with deep regret that the State of New Jersey releases him to his duties as ambassador to France.

I venture the opinion that Senator EDGE leaves this body with a great deal of regret. I know that the Senator has made many firm friends while here, and I am sure it must be with reluctance that he is severing his relations here.

His work as a Member of the United States Senate has always been for the good and benefit of his State as well as the country at large.

Senator EDGE has been an able statesman. With a continuation of this admirable quality then, indeed, will his name go down in history as a great ambassador.

Mr. WALSH of Massachusetts. Mr. President, Senator EDGE entered the Senate when I first became a Member in April of 1919. He has been an industrious, an able, and an honorable Member of this body. His departure to another post of public duty is a distinct loss to the Senate. However, by his acceptance of the ambassadorship to France the foreign Diplomatic Service has received a well-trained, experienced public servant who will add to the prestige and influence of our Government in Europe.

In the absence of the acting leader of the Democratic Party in the Senate, I take the liberty in my own name and in the name of those Senators who entered the Senate at the time when Senator EDGE and myself came here, and I am sure also in the name of the minority Members generally, to extend our congratulations and to wish him a notable career in his new and important post of duty.

Mr. COPELAND. Mr. President, I desire to add a word to what has been said about Senator EDGE.

In New York we regard New Jersey as our very closest neighbor. Sometimes we facetiously refer to New Jersey as the "bedroom of New York," because so many of the citizens of New Jersey go to New York every day for business purposes.

Senator EDGE has been on the opposite side of the Senate from me. Perhaps I am likely to be in many things in bitter opposition to him. But I have always found him to be so much of a gentleman, so genial, so tactful, so kind that my relations have been those which might be called brotherly rather than political or antagonistic simply from a political standpoint.

I feel it is particularly fortunate that Senator EDGE is sent to France. We need to have in that country an ambassador who has the many fine qualities, peculiar qualities, possessed by Mr. EDGE. He has a mind and a personality which will appeal to the French people.

I want to say, too, if I may in all propriety, that I think Mrs. EDGE will honor and grace the embassy in France. I feel that the appointment is a peculiarly fortunate one, not alone



because of the abilities possessed by the new ambassador but on account of those possessed by his charming wife.

For my part, and I am sure I speak for many acquaintances Mr. Edge has in my State, we congratulate him upon his appointment. We congratulate the President on the fact that he has appointed so able a man. We wish for Ambassador and Mrs. Edge long life and every success in maintaining the glory of the United States and their own happiness in the great capital of France.

Mr. SWANSON. Mr. President, I desire to add a short tribute to what has been said with reference to Senator Edge's appointment as ambassador to France.

All Members of the Senate know of Senator Edge's geniality, his pleasing personality, his ability, and his industry. I have had occasion to serve with him on the Foreign Relations Committee for many years, and I desire to bear testimony to his fitness for his new position, to his knowledge of foreign affairs, to his breadth of thought, and his disposition, in dealing with foreign affairs, to leave politics out of consideration. Since he has served upon the Committee on Foreign Relations he has displayed no partisanship.

From my knowledge of Senator Edge, his conduct, his industry, his ability, as displayed in the Committee on Foreign Relations and in all his activities in the Senate, I am satisfied that a wise, suitable, and splendid selection has been made.

#### RELIEF OF BORROWERS FROM FEDERAL LAND BANKS

Mr. SMOOT. Mr. President, did I understand that the Senator from South Carolina desires to have a vote upon his resolution?

Mr. SMITH. I would like to have a vote.

Mr. SMOOT. I shall have to object.

Mr. SMITH. Before the Senator objects let me state the situation. Matters over which I have no control make it imperative for me to be absent to-morrow. Of course, I am thoroughly cognizant of the rule under which this resolution would have to go over, but I felt that my colleagues would extend me the courtesy of allowing it to come to a vote, when they could take whatever action they thought was proper in their judgment and wisdom. I should like to have my colleagues extend to me the right to have the matter voted on to-day.

The matter is more than simple. I want to reiterate, I am perfectly aware of the fact that this bank is a private institution, but it was created by Congress for a specific, definite purpose, to aid home owners to retain their homes, and to aid those who did not own homes to acquire homes. It provides opportunity for a long period of amortization in the case of a loan, even in a case of a purchase, or in the redeeming of a mortgage.

This resolution simply expresses that it is the feeling of the Senate that, in the discretion of the authorities, they should extend for not exceeding 60 days proceedings where foreclosures are now about to be executed.

I want to call attention to the fact that there are numbers of farmers who, through no lack of energy or effort on their part, have utterly failed to make enough to meet their interest payments.

This calamity is so disastrous, so far-reaching, that I have drafted a resolution which will provide for an appropriation, authorizing the land bank to use its discretion in those cases where delinquency has occurred, not on account of any fault on account of the borrowers, but on account of weather conditions, or similar causes, over which the borrower has no control, to give a delinquent at their discretion a reasonable time in which to pay the interest.

Last year I appeared before the Senate and asked for an appropriation of \$15,000,000 to enable farmers to meet their obligations and to make another crop. I have the report of the officers who had that matter in charge, and, despite the succeeding disaster, those who borrowed have paid within 20 or 25 per cent of the loans.

Mr. SMOOT. Mr. President, that is an entirely different question from the one involved in this resolution.

Mr. SMITH. No, Mr. President. Will the Senator from Utah allow me to explain?

Mr. SMOOT. Never mind; consider that I have not said anything.

Mr. SMITH. Just let me give the Senator my viewpoint. This money is due, just as money was due to private banks in my State in the case of the other appropriation I got. All I am asking is that aid be extended where the parties are worthy, where they are good moral risks, but where, simply on account of disasters over which they have had no control, they can not pay—that the Government, as it has created this instrumentality to help in emergencies where it is justifiable, would extend to the banks the amount of the interest, and have the delinquent interest charged against any estate that was mortgaged

for a period that would give the delinquent a chance to redeem his property if the season were sufficiently favorable to enable him to make any money.

It is exactly analogous, in the principle involved, to what we did last year, because we extended credit to enable individuals to meet their obligations to private institutions that sold their fertilizer, that sold feed, that sold the necessary farm equipment. The institutions were not able to advance the credit themselves, the farmer was not able to buy the things needed, the Government stepped in and made credit possible, and the borrowers have repaid a great amount of the loans.

All I was seeking was a chance to ask for an appropriation of funds which, at the discretion of the land-bank authorities, they could use to meet the interest payments in worthy cases, so as not to vitiate in any way at all the sale of the bonds in the open market, so that the man who owned the land where execution was pending would have the Government extend for a reasonable period the payment of the interest, and then if the conditions were such as not to warrant any further extension, to foreclose on the property.

It is a condition which I sincerely hope will never be repeated in that section of the country or elsewhere. The Members of the Senate can not understand the distressed condition over a section of country that is entirely too large and the conditions too disastrous for the local community to absorb.

I realize that from the standpoint of ruthless and strict business this would not be considered, but this is an emergency case, in which the United States Senate is asked to express itself to the officials of an institution which it created for a specific and definite purpose.

I was hoping that we might have a vote on this resolution, expressing to these authorities the attitude of the Senate, recommending a reasonable extension; but, as a matter of course, if the Senate determines to observe the rule, anyone can object, and this matter must go over, in which event, of course, I would not have an opportunity to press it at this session. But I had hoped that a vote would be allowed on it.

The PRESIDING OFFICER. The Chair understands objection has been made.

Mr. SMITH. Has objection been made?

The PRESIDING OFFICER. The Chair understands that the Senator from Utah has objected.

Mr. SMOOT. Mr. President, as a firm believer in and as a friend to the Federal Farm Board and the Federal farm-loan system, I would be utterly failing in my duty as a Senator of the United States if I did not object to this resolution. I therefore object.

The PRESIDING OFFICER. Objection is made, and the resolution will go over.

Mr. SMITH. Mr. President, the objection carries the resolution over. Just what fate it would have had had it been allowed to come to a vote I do not know. I believe that a majority of the Senate would have passed the resolution. I believe that there are enough here who really have the interest of the individual farmer at heart to have voted for the resolution.

I shall, upon the reconvening of the Congress, press a resolution for an appropriation from the Federal Government to take care of delinquencies that have occurred, where the delinquent is thoroughly worthy of an extension, and unable to save his home.

Mr. President, certain things are legally right and morally wrong. I suppose it was perfectly legal for the Secretary of the Treasury to notify the public that he would reduce the rate on incomes totaling a loss to the Treasury of \$160,000,000, and it was proclaimed throughout the country as being a masterful stroke in relieving the distressed situation—God save the mark—amongst those who pay an income tax. Here is an effort that may be mistaken in its purpose to try to relieve those who have no income, but who produce that out of which incomes are at all possible, and I am met with objection, not with sympathetic objection! no, but with an objection that we must not interfere with the holy of holies which has money in the banking institutions of the country.

I realize, as well as the Senator from Utah and others, that under our form of organized society we must hold in full faith and honor the repositories of accumulated wealth of the country. But when we get to that point where the institutions are to be considered sacred, while hundreds and thousands of Americans, touched by the hand of Providence and rendered impotent while they are struggling day and night in the lowly vocation of agriculture, must be brushed aside without a word because we might break the sacred theory of the preservation of a certain statute, then I must protest most vigorously.

I have in my heart to say things that I ought not perhaps here to say, but the attitude of certain Members here almost betrays me into saying them. No suggestion has been made from any quarter, while the cry has come from the distressed peoples of the country, that their own Government, or the instrumentality which their own Government set up, is a Frankenstein or Juggernaut that is more heartless in its exactions, its ultimate exactions, than were the private institutions.

I have introduced this resolution thinking perhaps that I would have at least the sympathetic attitude of my colleagues. The Senator from Utah [Mr. Smoot] said he would be derelict in his duty as a Senator if he said only one word along the line of extending aid to those who, aside from providential forces, by the very nature of the condition into which he and others of like mind have forced the producers of this country. The iniquitous high-protective tariff, added to the unfortunate season, have reduced the agriculturists of this country to peasantry. When I, standing here in my place, ask for a little stay of proceedings that would save a humble citizen perhaps his Christmas in his own home, I am met with the objection that perhaps it is jeopardizing the bond sale of this institution. I tried to safeguard that and tried to make it apparent, as I am convinced in my own mind after having studied the situation, that only those who are opposed to this matter could see in it any danger to the credit of the institution in the bond markets of the world or to the public. Here we have a condition, a cry coming up from all over the country, not alone as the result of the unfavorable condition of the season, but a cry that is so universal that the President of the United States had to call an extraordinary session of the Congress to enact legislation to give agriculture a chance.

That condition did not arise alone from a disastrous season. The fact of the business is that the cry went up that we had a surplus, that we had more than we could sell, and yet, like Tantalus, the poor farmer stood in the stream of prosperity with the power denied him to get his lips low enough to drink the golden tide. No; he stood knee-deep in the so-called prosperity, naked and pauperized, and it became so scandalous, such a universal scandal, such a reflection upon our form of government, that the President saw fit to call an extraordinary session of Congress to relieve the situation.

In general terms we have talked; we have talked general things and have not done a specific thing. Now, when a specific case is called to our attention and a specific remedy can be applied to a specific individual, then, "No; oh, no! Let us talk generalities!" Let us stand here and talk in glittering terms of the poor distressed individual and then let us pass him a lemon; let us hypnotize him and make him think that quinine is sugar. That has been done here, and yet we refuse our aid when a specific case of mercy, simple mercy, is asked by some lonely home, some distressed home, pleading that there may be something done for an American citizen. Perhaps that lowly home may shelter a gold-star mother. What does she think of a Government which, under the exaction of a law that has been passed, is going to turn her and her boys out and no Santa Claus to come? We raise our brows to express the majesty of the law while the innocent victims of both legislation and season are losing their homes.

Mr. President, I am not a pessimist, and I hope I am not a fool. We are creating bolsheviks just as fast as the wheels of time can move. Think of a condition in a boasted democratic country, where \$60,000,000,000 were wiped out from the so-called value of stock, and when the \$60,000,000,000 was gone the prices of the stock were not yet as low as reasonable dividends would justify. With farmers depressed and starving, with the laborer getting an inadequate pay, there was such a vast accumulation of wealth in America that there could be poured into one corner of the country an aggregation of wealth that could lose \$60,000,000,000 from that pyramided value and still not have the stocks down to where the price current after the break justified a reasonable dividend.

What happened? The moment the crash came the administration and the financial forces of America were joining together to create confidence—where? To create confidence in the stock and bond issues of the country. Mr. President, we all remember that in 1920, on May 21, the advisory council and the members of the Federal Reserve Board met and decreed deflation, but do we remember that the prices of the unprotected commodities of the country toppled to where it spelled the ruin and the disaster of the laborer and the producer? Cotton fell from 40 cents a pound to where it scarcely could be marketed. Wheat fell to where it did not pay to take it from the field. Cattle were a drug on the market. I was a member of the subcommittee that went to see the Secretary of the Treasury along with two western Senators to see if there could be negotiated a loan of \$50,000,000 to save the breeding cattle of the West.

That loan was promised on the condition that Mr. J. P. Morgan, who was present in the conference with certain other bankers, would underwrite the loan.

Did anyone hear at that time a cry from the administration and from the powers that be that we must come to the rescue of the basic industry of America? Not a word! Not one word! The farmers were left to become bankrupt. Eighty-seven per cent of the farms of America are under mortgage as the result of that contemplated, studied crime against the American people. We heard no one in the high places of finance suggest that they should go and stabilize wheat, stabilize cotton, stabilize cattle. No; the farmer is the plaything of American politics. The disorganized farmers, representing in our political division what China does among the nations of the earth, being unorganized and unable to help themselves, are the football of the political parties of the country.

Mr. President, I have done my duty. I shall continue to try to bring relief to those who do not understand and do not care to understand the situation. All they do understand is that certain institutions must not even seemingly be jeopardized.

When the new session of Congress assembles in December, I shall introduce my proposition. I am, however, disappointed and amazed that even this word of cheer should be denied and a sympathetic attitude should not be assumed in this emergency by the Senate of the United States. I believe, Mr. President, had the objection to my resolution not been interposed, it would have been adopted. For fear that I might say too much under the circumstances, I shall content myself with what I have already said, and shall leave the responsibility of this action where it now rests. Doing so, however, does not discharge my whole responsibility, and at the proper time I shall give the Senate another opportunity to act on the resolution.

Mr. McNARY. Mr. President, I have only a word to say in reference to this matter. I would not delay the debate on the tariff bill for one moment were it not for the fact that I promised another Senator that I would confer with the chairman of the Federal Farm Loan Board relative to the resolution which has been submitted by the Senator from South Carolina. I did so, not only by telephone but that official paid me a personal visit a few moments ago, and stated that he is very much opposed to the favorable consideration of the Senator's resolution, because it would probably have an unfavorable effect upon the debenture market.

Everyone knows the delicate situation which now exists in regard to the sale of Government debentures, and out of respect for the judgment of the Federal Farm Board I make this very brief statement. Under the rule, and subject to the objection of the Senator from Utah [Mr. Smoot], the resolution goes over for the day, as I understand?

The VICE PRESIDENT. The resolution will go over under the rule.

#### RADIO BROADCASTING

Mr. DILL. Mr. President, I have waited almost all of yesterday and a considerable part of to-day and should refrain now from taking the time I am about to take, but it seems as though the Senate will not do anything except talk about other questions than the tariff bill, and so I might just as well take a little time also. I do not mean by that that I agree with all of the paid-for opinions of Mr. Babson or of newspaper editorials, but I do think that the people of this country are getting tired of the Senate talking on everything besides the tariff bill, and I do not want to add very much to such talk.

My purpose in rising is to ask to have printed in the RECORD the report of the Royal Commission on Radio Broadcasting of Canada, together with the recommendations that are made. This document has been referred to by the newspapers and some excerpts have been made from it. It is a very important document and I should like to have it printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered. The report referred to is as follows:

#### REPORT OF THE ROYAL COMMISSION ON RADIO BROADCASTING THE ROYAL COMMISSION ON RADIO BROADCASTING

Sir John Aird, president Canadian Bank of Commerce (chairman), Toronto, Ontario.

Charles A. Bowman, Esq., editor Citizen, Ottawa, Ontario.

Augustin Frigon, D. Sc., director Ecole Polytechnique, Montreal, Quebec; director general technical education, Province of Quebec, Montreal, Quebec.

Donald Manson, Esq., secretary, chief inspector of radio, Department of Marine, Ottawa, Ontario.

#### TERMS OF REFERENCE

"To examine into the broadcasting situation in the Dominion of Canada and to make recommendations to the Government as to the future administration, management, control, and financing thereof."



## REPORT

The Hon. P. J. A. CARDIN,

*Minister of Marine and Fisheries, Ottawa, Ontario.*

SIR: We have the honor to submit the following report on the subject of radio broadcasting, in accordance with the requirements of Order in Council P. C. 2108:

## OBJECT OF COMMISSION

The Royal Commission on Radio Broadcasting was appointed by the Government to inquire into the existing situation in Canada and to examine the different methods adopted in other countries.

The purpose of the inquiry was to determine how radio broadcasting in Canada could be most effectively carried on in the interests of Canadian listeners and in the national interests of Canada.

According to the terms of reference of the order in council appointing the commission, it was required: "To examine into the broadcasting situation in the Dominion of Canada and to make recommendations to the Government as to the future administration, management, control, and financing thereof."

## METHODS IN OTHER COUNTRIES

Before setting out to hold meetings in Canada we considered it wise to visit some of the countries abroad where broadcasting is well organized or is in process of organization, so that we would be in a position, if necessary, to discuss with the provincial authorities of Canada and others the relative merits of the different methods employed. We found broadcasting especially well organized in Great Britain under the British Broadcasting Corporation, and in Germany, where the radio service is also under a form of public ownership, control, and operation. In France the situation has been studied by a Government commission. No definite statement, however, can be made at the present time as to the recommendations of the commission. Everywhere in Europe we found inquiries being conducted under government auspices for the purpose of organizing broadcasting on a nation-wide basis in the public interest. In addition to London, Berlin, Paris, and Lille, we visited The Hague, Brussels, Geneva, Dublin, and Belfast. A visit was also made to New York, where methods followed by the National Broadcasting Co. were observed. We have also received information from Union Internationale de Radiophonie at Geneva and other sources concerning broadcasting in countries which were not visited.

A statement of methods followed in other countries is shown in Appendix I.

## SITUATION IN CANADA

We have held public sessions in 25 Canadian cities, including the capitals of the nine Provinces. One hundred and sixty-four persons submitted verbal statements at these sessions; in addition, we have received 124 written statements. (See Appendix II.)

Conferences were held with the authorities of nine Provinces, who gave every assistance to the commission and promised their cooperation in the organization of broadcasting. Written statements giving this assurance have been received from them (see Appendix III). Resolutions have also been received from numerous representative bodies, the large majority favoring the placing of broadcasting on a basis of public service.

In our survey of conditions in Canada we have heard the present radio situation discussed from many angles, with considerable diversity of opinion. There has, however, been unanimity on one fundamental question—Canadian radio listeners want Canadian broadcasting. This service is at present provided by stations owned by private enterprise and with the exception of two, owned by the Government of the Province of Manitoba, are operated by the licensees for purposes of gain or for publicity in connection with the licensees' business. We believe that private enterprise is to be commended for its effort to provide entertainment for the benefit of the public with no direct return of revenue. This lack of revenue has, however, tended more and more to force too much advertising upon the listener. It also would appear to result in the crowding of stations into urban centers and the consequent duplication of services in such places, leaving other large populated areas ineffectively served.

The potentialities of broadcasting as an instrument of education have been impressed upon us; education in the broad sense, not only as it is conducted in the schools and colleges, but in providing entertainment and of informing the public on questions of national interest. Many persons appearing before us have expressed the view that they would like to have an exchange of programs with the different parts of the country.

At present the majority of programs heard are from sources outside of Canada. It has been emphasized to us that the continued reception of these has a tendency to mold the minds of the young people in the home to ideals and opinions that are not Canadian. In a country of the vast geographical dimensions of Canada, broadcasting will undoubtedly become a great force in fostering a national spirit and interpreting national citizenship.

At the conclusion of our inquiries it is our task, the importance of which we are deeply conscious, to suggest the means as to how broadcasting can be carried on in the interests of Canadian listeners and in

the national interests of Canada. The order in council appointing us to undertake this work contains the suggestion that the desired end might be achieved in several ways provided funds are available, viz:

- (a) The establishment of one or more groups of stations operated by private enterprise in receipt of a subsidy from the Government.
- (b) The establishment and operation of stations by a Government-owned and financed company.
- (c) The establishment and operation of stations by provincial governments.

We have examined and considered the facts and circumstances as they have come before us. As our foremost duty we have concentrated our attention on the broader consideration of the interests of the listening public and of the nation. From what we have learned in our investigations and studies we are impelled to the conclusion that these interests can be adequately served only by some form of public ownership, operation, and control behind which is the national power and prestige of the whole public of the Dominion of Canada.

## PROPOSED ORGANIZATION

The system which we propose does not fall within the exact category of any of those suggested in the order in council, but is one which might be regarded as a modification of (b), i. e., "the establishment and operation of stations by a Government-owned and financed company." As a fundamental principle, we believe that any broadcasting organization must be operated on a basis of public service. The stations providing a service of this kind should be owned and operated by one national company. Such a company should be vested with the full powers and authority of any private enterprise, its status and duties corresponding to those of a public utility. It is desirable, however, that provincial authorities should be in a position to exercise full control over the programs of the station or stations in their respective areas. Any recommendation which we offer is primarily made with this object in view. As to what extent the Provinces should participate in effecting this control, of course, is a matter which could be decided between themselves and the Dominion Government authorities.

In order satisfactorily to meet these requirements which we have outlined, we recommend the following organization:

- (1) A national company which will own and operate all radio broadcasting stations located in the Dominion of Canada, the company to be called the Canadian Radio Broadcasting Co. (C. R. B. C.).
- (2) A provincial radio broadcasting director for each Province, who will have full control of the programs broadcast by the station or stations located within the boundaries of the Province for which he is responsible. Some Provinces might consider it desirable to place the control of broadcasting under a provincial commission. This is a matter to be determined by the Provinces concerned.
- (3) A provincial advisory council on radio broadcasting for each Province to act in an advisory capacity through the provincial authority.

## PERSONNEL

The company: It is important that the board or governing body of the company should be fully representative of the Dominion and provincial interests so that the closest cooperation among different parts of the country may be maintained. In order that this may be accomplished we would recommend that the governing body or board of the company should be composed of 12 members, 3 more particularly representing the Dominion and 1 representing each of the Provinces; the mode of appointment of the provincial directors to be decided upon by agreement between the Dominion and provincial authorities.

Provincial control: The representative of the Province on the board of the national company would be the provincial director. In the event of any Province appointing a provincial commission, the provincial director should be the chairman of such commission.

Provincial advisory councils: We would suggest that each council should be composed of members representative of the responsible bodies interested in radio broadcasting.

## BROADCASTING STATIONS

Stations under proposed organization: It is to be hoped that the system will eventually cover effectively and consistently that vast northern territory of Canada which at present has comparatively few inhabitants at remote and scattered points but which may come to be as densely populated as some European countries in the same latitude. The company's immediate objective should be, however, to provide good reception over the entire settled region of the country during daylight or dark under normal conditions on a 5-tube receiving set. (Receiving sets employing less than five tubes are, in general, tending to go out of use.) How this requirement can best be met will be a question with which the experts intrusted with the responsibility will have to deal. However, from our own observations and from information we have received, we believe it has been fairly well established in practice that high-power stations are needed to reach consistently with good results the maximum number of people. We would like, therefore, to recommend as a matter for consideration the establishment of seven stations, each having an aerial input of, say, 50,000 watts; one station to be suitably located in each Province, except in New Brunswick, Nova

Scotia, and Prince Edward Island, where one station could be centrally located to serve these three Provinces. The proposed high-power stations could form the nucleus of the system and as each unit were brought into operation it could be ascertained what local areas, if any, were ineffectively served and stations of smaller power could accordingly be established to serve these places.

We would also suggest that the high-power stations might be so designed as to permit, in time, an increase of power to an economic maximum and of being so modeled as ultimately to provide for two programs being broadcast simultaneously on different wave lengths.

It is well, perhaps, to point out here the necessity of locating broadcasting stations at suitable distances from centers of population to obviate blanketing of reception from outside points. The need for this has been amply demonstrated to us.

We think it is important that, to provide the fullest scope for the proposed system and in the interests of the whole country, all facilities necessary for chain broadcasting be made available in order to permit simultaneous broadcasting by the entire group of stations from coast to coast or by such grouping in different regions as may be considered desirable from time to time.

We are of opinion that the question of the development of broadcasting far beyond its present state, which may include television, is one of great importance and should be closely kept pace with so that the service in Canada would continue equal to that in any other country.

Provisional broadcasting service: While we believe that the proposed organization should be adopted and establishment of the high-power stations proceeded with as soon as possible, it seems necessary that provisional service be furnished. To do this, we recommend that one existing station in each area be taken over from private enterprise and continued in operation by the Canadian Radio Broadcasting Co. until such time as the larger stations in the proposed scheme are placed in operation. The existing stations carrying on the provisional service could then be closed.

The stations selected for the provisional service should be so chosen from those at present in existence as to provide maximum possible coverage. All remaining stations located or giving a duplication of service in the same area should be closed down. We understand that under the provisions of the radiotelegraph act, the licenses now in effect may be allowed to expire at the end of the fiscal year or they may be terminated at any time at the pleasure of the licensing authority without legal obligation to pay compensation. We would recommend, nevertheless, that reasonable compensation be allowed such of the broadcasting stations at present in active operation for apparatus as may be decided by the Minister of Marine and Fisheries, the licensing authority.

The apparatus for which compensation is paid should, we think, become the property of the Canadian Radio Broadcasting Co. The more modern and efficient sets of such apparatus could then become available for recreation as might be deemed necessary by the company.

#### FINANCE

Cost of establishing stations in proposed organization: The stations forming the system in the proposed organization should be well and fully equipped. The cost of installing the seven high-power units would probably approximate \$3,000,000. There would, however, be considerable salvage value in the plants taken over. Assuming that four smaller stations, three 5,000-watt and one 500-watt, would be needed to furnish a supplementary service in local areas not effectively reached by the high-power units, an additional amount of possibly \$225,000 would have to be spent in reerecting apparatus taken over from present station owners. These expenses would represent a capital expenditure of \$3,225,000.

In addition to this, compensation would have to be paid to owners of existing stations which we think should be met out of an appropriation made by Parliament.

Cost of operation: The service provided would necessarily have to be of a high order. A total annual expenditure for operation of the entire organization proposed, including supplementary stations, would seem to require a minimum of approximately \$2,500,000. In addition, the question of interest on capital and sinking fund would have to be considered.

Revenue: Various methods have been suggested to us as to how revenue might be raised fully to meet the cost of a broadcasting system. If the general public as a whole were listeners, there might be no just reason why the full cost of carrying on a broadcasting service could not be met out of an appropriation made by Parliament from public funds. It is conceivable that that time will come, but under existing conditions, we would not feel justified in suggesting that the general public should be required to pay for the whole of the service which only those possessing radio receiving sets can enjoy. On the other hand, however, radio broadcasting is becoming more and more a public service and in view of its educative value on broad lines, and its importance as a medium for promoting national unity, it appears to us reasonable that a proportion of the expenses of the system should be met out of public funds.

Three sources from which revenue could be derived are suggested, viz:

(1) License fees;

(2) Rental of time on broadcasting stations for programs employing indirect advertising;

(3) Subsidy from the Dominion Government.

License fees: A fee of \$1 is at present charged for a receiving license. Fifty per cent of all license fees collected in Manitoba is paid over to the government of that Province toward the maintenance of the provincial-owned broadcasting stations at Winnipeg and Brandon. With this exception, no contribution to the cost of broadcast programs in Canada is made from fees collected, which revert to the revenue fund of the Dominion Government.

It should be pointed out, however, that the marine department, through its radio branch, maintains a service to broadcast listeners in suppressing extraneous noises interfering with radio reception, at an expenditure in proportion to the amount of revenue received from license fees.

The information we have received seems to indicate that listeners would not be averse to an increase in the license fee if an improved Canadian broadcasting service could be provided. In Great Britain the fee is 10 shillings per annum. In Germany and Japan an amount approximating \$6 a year is collected. In Australia the annual fee is 24 shillings. We are of opinion, however, that while the present fee should be increased, the amount should not be so high as to prove burdensome for those of limited means. A fee of \$3 per year would seem reasonable and would at the same time yield a fair amount of revenue. We recommend that the fee be fixed at this amount.

On the basis of the number of licenses now in effect—approximately 300,000—a gross revenue of \$900,000 per annum would be available from this source. The number of licenses may be expected to increase from year to year. We think that radio dealers should be required to collect the license fee whenever a receiving set is sold.

#### ROYAL COMMISSION

Rental of time for programs employing indirect advertising: The ideal program should probably have advertising, both direct and indirect, entirely eliminated. Direct advertising is used to considerable extent by broadcasting stations at the present time as a means of raising revenue to meet the expense of operation. In our survey of the situation in Canada we have heard much criticism of this class of advertising. We think it should be entirely eliminated in any national scheme. Direct advertising is defined as extolling the merits of some particular article of merchandise or commercial service. Manufacturers and others interested in advertising have expressed the opinion that they should be allowed to continue advertising through the medium of broadcasting to meet the competition coming from the United States. We think that this can be satisfactorily met by allowing indirect advertising which properly handled has no very objectionable features, at the same time resulting in the collection of much revenue. An example of indirect advertising would be an announcement before and after a program that it was being given by a specified firm. Programs of this kind are often referred to as sponsored programs. Until such time as broadcasting can be put on a self-supporting basis we would recommend that the stations' time be made available for programs employing a limited amount of indirect advertising at so much per hour per station.

It is rather difficult to estimate what revenue would be collected for rental of time, but we think that an amount of approximately \$700,000 annually could be expected at the beginning.

Subsidy from the Dominion Government: As compared with many of the European countries where the responsibility of broadcasting has been assumed by the government, Canada has a comparatively small population, scattered over a vast tract of country. The large territory requires a greater number of stations, while the relatively small population makes it obviously impossible to finance the entire scheme from license fees if the same are to be kept at a moderate figure. Revenue from programs employing indirect advertising will, we believe, supplement the deficiency in license fees to a considerable extent. The most desirable means of meeting the additional expenditure required would seem to be by a subsidy from the Dominion Government. We would recommend that the proposed company be subsidized to the amount of \$1,000,000 a year for a period of say five years, renewable, subject to review, for a further period of five years after expiry of the first.

We believe that broadcasting should be considered of such importance in promoting the unity of the nation that a subsidy by the Dominion Government should be regarded as an essential aid to the general advantage of Canada rather than as an expedient to meet any deficit in the cost of maintenance of the service.

#### PROGRAMS

General: The question of programs, we have no doubt, will be in capable hands if and when they come within the control of the representative bodies which we have suggested. The general composition of programs will need careful study.

Chain broadcasting: Chain broadcasting has been stressed as an important feature. We think that an interchange of programs among different parts of the country should be provided as often as may seem desirable, with coast to coast broadcasts of events or features of national interest from time to time.

Programs from other countries: The possibility of taking programs from Great Britain has already been demonstrated. While the primary



purpose of the service would be to give Canadian programs through Canadian stations, we think that every avenue should be vigorously explored to give Canadian listeners the best programs available from sources at home and abroad.

**Programs employing indirect advertising:** Time should be made available on the various stations singly or for chain broadcasting for firms desiring to put on programs employing indirect advertising. We think that it is important that all such programs should be carefully checked to see that no direct advertising or any objectionable feature would be put on the air. We are strongly against any form of broadcasting employing direct advertising.

**Education:** Certain specified hours should be made available for educational work both in connection with the schools and the general public, as well as the so-called adult education, under provincial auspices.

**Religion:** The representative bodies which we have suggested to advise upon the question of programs would be called upon to deal with the matter of religious services, and it would be for them to decide whatever course might be deemed expedient in this respect. We would emphasize, however, the importance of applying some regulation which would prohibit statements of a controversial nature and debar a speaker making an attack upon the leaders or doctrine of another religion.

**Politics:** While we are of opinion that broadcasting of political matters should not be altogether banned, nevertheless we consider that it should be very carefully restricted under arrangements mutually agreed upon by all political parties concerned.

**Wave length:** We are aware that the question of wave lengths is not one with which we are called upon to deal. But in our survey of the situation in Canada, the inadequacy of wave lengths at present available for broadcasting in this country, namely, 6 "exclusive" and 11 "shared" channels, has been persistently pointed out to us. This has been emphasized as one reason for the present unsatisfactory conditions of broadcasting in Canada. Many have expressed the feeling, with which we fully concur, that Canada's insistence upon a more equitable division of the broadcast band with the United States should not be relinquished.

**Announcers:** It has been stressed to us, and we strongly recommend the importance of having competent and cultured announcers (French and English) and the desirability of having special training and tests of capability for such persons.

#### INTERFERENCE

Complaints of interference with radio reception, from electrical distribution lines, machinery and apparatus, have been brought to our attention in different parts of the country. It has been gratifying at public sessions to hear spontaneous tribute paid by disinterested persons to the efficient work of the marine department radio inspectors in removing much of the trouble caused in this way. Their work appears to be made more difficult, however, in that there is no law in effect compelling the users of interfering apparatus to correct faults which interfere with radio reception once such are pointed out by the inspector. The desirability of having legislation to meet such cases has been suggested to us. We recommend the earnest consideration of this suggestion.

#### CONTROL

The minister of marine and fisheries, under the radiotelegraph act, is the licensing authority for all classes of radio stations, which includes radiobroadcasting stations and receiving sets. Direct control over such technical questions as wave lengths, power of stations, and the collection of license fees should, we consider, remain with this authority. In order to promote good reception conditions, it is most desirable that the radio activities of other departments of the Government should conform to the regulations and be subject to the authority of the radiotelegraph act. We are also of the opinion that the radio branch of the marine department should continue to carry on the service to broadcast listeners, which includes the suppression of inductive interference.

#### SUMMARY OF RECOMMENDATIONS

The following is a summary of our principal recommendations, viz:

(a) That broadcasting should be placed on a basis of public service and that the stations providing a service of this kind should be owned and operated by one national company; that provincial authorities should have full control over the programs of the station or stations in their respective areas;

(b) That the company should be known as the Canadian Radio Broadcasting Co.; that it should be vested with all the powers of private enterprise and that its status and duties should correspond to those of a public utility;

(c) That a provincial radiobroadcasting director should be appointed to each Province to have full control of the programs broadcast by the station or stations located within the boundaries of the Province for which he is responsible;

(d) That a provincial advisory council on radiobroadcasting should be appointed for each Province, to act in an advisory capacity through the provincial authority;

(e) That the board of the company should be composed of 12 members, 3 more particularly representing the Dominion and 1 representing each of the Provinces;

(f) That high-power station should be erected across Canada to give good reception over the entire settled area of the country during daylight; that the nucleus of the system should possibly be seven 50,000-watt stations; that supplementary stations of lower power should be erected in local areas, not effectively covered by the main stations, if found necessary and as experience indicates;

(g) That pending the inauguration and completion of the proposed system a provisional service should be provided through certain of the existing stations which should be continued in operation by the Canadian Radio Broadcasting Co.; that the stations chosen for this provisional service should be those which will give the maximum coverage without duplication; that all remaining stations not so needed should be closed down;

(h) That compensation should be allowed owners of existing stations for apparatus in use as may be decided by the Minister of Marine and Fisheries; that such apparatus should become the property of the Canadian Radio Broadcasting Co.; that the more modern and efficient of these sets of apparatus should be held available for recreation in local areas not effectively served by the high-power stations; that the cost of compensation should be met out of an appropriation made by Parliament;

(i) That expenditure necessary for the operation and maintenance of the proposed broadcasting service should be met out of revenue produced by license fees, rental of time on stations for programs employing indirect advertising, and a subsidy from the Dominion Government.

(j) That all facilities should be made to permit of chain broadcasting by all the stations or in groups; that while the primary purpose should be to produce programs of high standard from Canadian sources, programs of similar order should also be sought from other sources.

(k) That time should be made available for firms or others desiring to put on programs employing indirect advertising; that no direct advertising should be allowed; that specified time should be made available for educational work; that where religious broadcasting is allowed there should be regulations prohibiting statements of a controversial nature or one religion making an attack upon the leaders or doctrine of another; that the broadcasting of political matters should be carefully restricted under arrangements mutually agreed upon by all political parties concerned; that competent and cultured announcers only should be employed.

(l) That consideration should be given to the question of introducing legislation which would compel users of electrical apparatus causing interference with broadcast reception to suppress or eliminate the same at their own expense.

(m) That the licensing of stations and such other matters prescribed in the radiotelegraph act and regulations issued thereunder for the control of radio stations in general should remain within the jurisdiction of the Minister of Marine and Fisheries; that that authority should continue to be responsible for the collection of license fees and the suppression of inductive interference causing difficulties with radio reception.

This report would be incomplete without an expression of appreciation of the many courtesies extended to the commission in Canada and abroad. In Great Britain all the authorities concerned, and especially the executive officers of the British Broadcasting Corporation, were unremitting in responding to the requests of the commission for information and enlightenment. The national radio authorities in France, Germany, Belgium, Holland, the Irish Free State, and the National Broadcasting Co. of the United States similarly received the commission most cordially and helpfully. At Geneva the commission met the officers of the Union Internationale de Radiophonie.

It has been greatly to the advantage of the commission that the Department of Marine has extended all available facilities for the gathering of information regarding the present radio situation in Canada.

The department most considerably acceded to the request of the commission to be allowed to have the service of the chief inspector of radio, Mr. Donald Manson, as secretary; his intimate knowledge of radio activities in Canada and abroad, combined with unremitting industry and foresight, has contributed much toward the satisfactory organization of the commission's tour.

JOHN AIRD, *Chairman*.  
CHARLES A. BOWMAN.  
AUGUSTIN FRIGON.  
DONALD MANSON, *Secretary*.

SEPTEMBER 11, 1929.

#### APPENDIX I

##### BROADCASTING IN OTHER COUNTRIES

##### Australia

Australia has 24 broadcasting stations. They are divided into two categories: Class A—those of high power and class B of low power.

Arrangements have been made for class A stations to be taken over by the Commonwealth Government. The post-office department will control and operate the stations and studio equipment, a contract being made with a private company for the rendering of programs throughout the Commonwealth. The cost of maintaining these services will be borne from the revenue derived from the listeners' license fee, which has been fixed at 24 shillings per annum.

Class B stations will be operated by private companies and will be maintained from revenue to be derived from publicity programs.

Licensed receivers numbered 301199 in June, 1929.

#### *Austria*

A license has been granted to a private organization known as Oesterreichische Radio-Verkehrs A. G., which has six stations.

The revenue is derived from licenses issued by the post office. The annual fee is from 24 to 72 Austrian shillings, according to the type of apparatus, of which the broadcasting organization receives 90 per cent.

The number of licensed listeners at the end of December, 1928, was 325,200.

#### *Belgium*

Provisional broadcasting licenses have been granted to two organizations in Belgium. The Government has been considering the question of broadcasting and has practically decided upon corporation ownership with control by the State. It is proposed to have 10 members form a permanent commission with the minister of the responsible department as chairman of the body.

The stations will be operated by a company to be subsidized by the Government. Subsidies will be paid out of license fees collected from listeners and a tax placed on valves sold for receiving sets.

The collection of license fees from listeners is not at present enforced. If and when the new arrangement goes into effect, the fees imposed will be 60 Belgian francs, 80 per cent or 90 per cent of which will be paid to the company.

The new scheme will provide for the use of two stations—one for the French language and one for the Flemish. Later a small station using the German language may be erected.

On December 31, 1928, the number of registered listeners was 36,000.

#### *Czechoslovakia*

The broadcasting is conducted by an organization known as Radio-journal, in which the State holds a considerable financial interest. There are five transmitting stations, but a considerable program of development is just being commenced which includes a central high-power station. All the stations but that of Prague are operated technically by the State. The revenue is obtained from license fees, this being one of 10 Czechoslovakian crowns per month.

The number of licensed listeners on December 31, 1928, was 236,861.

#### *Denmark*

The broadcasting here is almost entirely in the hands of the State, being conducted by one organization termed "Radioraadet," which is under the joint control of the ministers of education and public works. There is, however, an advisory council containing representatives of all the principal groups of Danish social life. There are two stations only—a long-wave station at Kalundborg of 7.5 kilowatt antenna input, and a short-wave in Copenhagen of 0.75 kilowatt antenna input. Revenue is obtained exclusively from license fees ranging between 10 and 15 Danish crowns per annum.

The number of listeners on January 8, 1929, was 252,200.

#### *Estonia*

A transmitting license has been granted to one organization known as "Radio-Ringüüling" which is in close contact with the Government. There is at present only one station at Tallinn—1.5 kilowatt antenna input. Revenue is obtained through receiving licenses, which range in cost from 600 to 6,000 Estonian marks according to the nature of the apparatus. No figures are yet available as to number of listeners.

#### *Finland*

The serious broadcasting has been entrusted by the Government to an organization known as "Osakeyhtiö Suomen Yläis-radio," the stations being built and operated by the Government. The principal station is a long-wave station of 40 kilowatts antenna input at Lahti. The revenue is derived from licenses costing 100 Finnish marks per year.

On January 1, 1928, there were 36,300 licensed listeners, but this number increased to 73,800 licenses at December 31, 1928.

#### *France*

The broadcasting stations in France are owned and operated partly by the Government and partly by private enterprise. The French Government has just completed a survey of the methods followed in other countries. They are of opinion that the German system is more suited for France, i. e., regional control with regard to the arrangement of programs and final control and distribution of funds by the state. There exists a small license fee for receiving sets, but only a negligible percentage of listeners are believed to pay the fee. It is proposed to charge 20 francs per year for crystal receiving sets and 40 francs per year for valve sets with a tax on all valves applied at point of manufacture. The new scheme would provide for eight stations each of 30 kilowatts.

#### *Germany*

The German Government, through the post-office department, operate the technical equipment of the broadcasting stations in Germany. Each State in Germany, however, has a broadcasting company which is responsible for arranging the programs broadcast through the stations located in its own territory. There is a program committee of three persons for the State, two appointed by the State and one by the German Federal Government.

These state companies pay to the post-office department a license fee for using the broadcasting installation. Under this license the companies must fulfill certain requirements laid down by the German Government with regard to the matter broadcast. In addition to paying the cost of providing the programs the companies must also meet the cost of the operation of the stations, including staff salaries, maintenance of equipment, etc., as well as interest on and amounts for amortizing capital expenditure.

The State broadcasting companies are controlled by a holding company called the Reichs-Rundfunk-Gesellschaft. The German Government hold 51 per cent of the Reichs-Rundfunk-Gesellschaft shares by virtue of which the Government may exercise final control of the management of the different state companies, through the holding company.

Broadcast listeners in Germany are required to pay 2 reichmarks a month (approximately 50 cents) for a license. Fifty per cent or sixty per cent of these fees are distributed to the broadcasting companies. If after meeting expenses there is a profit a company may pay its shareholders dividends, but not in excess of 10 per cent. The surplus profit exceeding this percentage must be paid to the holding company, the Reichs-Rundfunk-Gesellschaft. The latter in turn is required to apply 35 per cent of these surplus profits to the enlargement of the technical installations and for the general development of broadcasting and 10 per cent to the formation of a reserve fund.

On December 31, 1928, there were 2,635,567 licensed listeners.

#### *Great Britain*

Broadcasting is carried on by the Government, through an organization known as the British Broadcasting Corporation which has a board of governors appointed by the state. This corporation has been granted a monopoly for 10 years. It owns 21 stations of which one is a long-wave station of 25-kilowatt antenna input. The revenue is derived from a percentage of the license fees and from profits on publications. The annual license fee is 10 shillings and the number of listeners on June 30, 1929, was 2,791,717.

#### *Holland*

Broadcasting in Holland is carried on by five political and religious societies through two privately owned stations. The Government has just appointed a commission with a view to putting broadcasting on a more satisfactory basis, possibly through some sort of Government control. No license fee is collected from listeners in Holland.

#### *Hungary*

The Government has granted a license to an organization known as "Magyar Telefon Hírmondó és Radio R. T." The transmitting station, one of 20-kilowatt antenna input is, however, the property of the state and operated by the department of posts and telegraphs. The revenue is derived exclusively from license fees, there being a monthly tax of 2.4 pengős.

The number of licensed listeners on June 1, 1928, was 102,760, and on November 30, 1928, 148,780.

#### *India*

There are six broadcasting stations in India operated by various interests. A company which is to have a monopoly on broadcasting is, however, being organized. The receiving license fee is 10 rupees (\$3.65) per year.

#### *Irish Free State*

Broadcasting in the Irish Free State is a state service operated through the department of posts and telegraphs. There are two stations, one at Dublin and the other at Cork. Revenue is derived from license fees and customs tax on all radio apparatus imported. The license fee is 10 shillings per annum.

In December, 1928, there were 26,406 licensed listeners.

#### *Italy*

The sole right to broadcast in Italy has been granted to an organization known as "Ente Italiano per le Audizioni Radiofoniche" (E. I. A. R.), but over this there has been created a commission of control consisting of leaders in Italian politics, arts, literature, and science. The transmitters are erected and operated by the broadcasting organization and the program of development provides eventually seven stations. Revenue is obtained from taxes on apparatus sold and license fees. The annual license fee is 12 lire. A recent Italian decree places at the service of the Italian broadcasting organization (at fees to be mutually agreed upon) all stage and other performances of musical and literary works after they have been performed three times in public. On November 30, 1928, there were 53,000 licensed listeners (which figure is but a small percentage of the actual number).



*Latvia*

The State has retained charge until now of the broadcasting activities in this country. Some revenue is obtained from license fees. At the end of May, 1928, there were 19,685 licensed listeners.

*Norway*

Two main groups have been licensed to broadcast in Norway. A fusion is anticipated shortly. The technical work, however, is under the control of the State which will shortly supplement the existing stations with one of 60-kilowatt antenna input in the neighborhood of Oslo. The broadcasting organizations receive 80 per cent of the license fees which are individually 20 Norwegian crowns per annum. The total number of licensed listeners on December 31, 1928, was 59,996.

*Poland*

The monopoly in broadcasting has been granted to an organization known as Polskie Radjo S. A. The transmitters are built and operated by the engineers of this organization. A considerable program of development is contemplated, including the construction at Warsaw of a high-power station of 150-kilowatt antenna input. The number of licensed listeners grew from 117,236 in June to 189,481 listeners at December 31, 1928.

*Rumania*

A monopoly has recently been granted for a limited number of years to a private organization known as Societatea de Difuziune Radio-telephonica din Romania. This organization is building a station of 12-kilowatt antenna input at Bucharest. Revenue will come exclusively from license fees.

*Spain*

There exist in Spain two main groups possessing licenses from the Government and a few individual stations also privately owned which are gradually disappearing. The whole tendency is to centralize activities in a single group. There is a system of license fees (5 pesetas per annum) not strictly enforced. The revenue is obtained partly by voluntary contributions and partly from the broadcasting of advertisements.

*Sweden*

Broadcasting is in the hands of an organization known as Aktiebolaget Radiotjänst in which the press of the country is largely interested. The transmitters are owned and operated by the State. They are about 30 in number, including one of 40-kilowatt antenna input at Motala working on a long wave. Radiotjänst has about 4,000 miles of telephonic circuits connecting its Stockholm studio with the various stations. The revenue comes exclusively from license fees, 50 per cent being available for the programs' organization. The number of licensed listeners on December 31, 1928, was 380,863, or one receiver for each 16 persons.

*Switzerland*

Five separate organization have been granted licenses to transmit, the State holding a place on each board of directors. The stations are the property of the companies. A fusion of interests is taking place which will probably result in the establishment of two high-power stations—one for French-speaking Switzerland and the other for German-speaking Switzerland. The only source of revenue is the license fees (14 Swiss francs per annum).

The number of licensed listeners at the end of December, 1928, was 70,183.

*Turkey*

One company has been given a monopoly for both Turkey in Europe and Turkey in Asia. Two high-power stations have been built, one at Angora, the other at Stamboul. The source of revenue is not known to us, nor the number of listeners. The growth of interests is believed, however, to be but small.

*Union of South Africa*

Broadcasting in the Union of South Africa is a regional monopoly, each station being licensed to operate exclusively within a certain territory for a period of five years. There are four stations. Receiving-set owners are required to pay both license fees and broadcast subscriptions. The licenses cost 5 shillings per year, while the subscriptions vary from 6 shillings 6 pence to 35 shillings, depending upon the distance from the broadcasting stations. Higher scales are in effect for sets to be used for commercial purposes.

*United States of America*

Broadcasting in the United States is carried on by private enterprise under license of the Federal Radio Commission. There are 604 stations so licensed. There is no license fee for listeners.

*Yugoslavia*

Two organizations have definitely received permission to broadcast; a third is expected shortly. Some revenue is obtained from listeners, but the greater part from subsidies. The number of listeners is not definitely known. There are understood to be about 10,000 in the neighborhood of Liubjiana.

## APPENDIX II

## List of persons making statements at public hearings

Date and place of hearing	Name of person	Organization represented
April 17, Victoria, British Columbia.	Harold Grant.....	Victoria Radio Club.
Do.....	W. T. McGibbon.....	Do.
Do.....	H. M. Diggon.....	Kiwanis Club, International Committee on Public Affairs for Canada.
Do.....	Mrs. Dr. H. E. Young.....	
Do.....	B. F. Gould.....	
Apr. 18, Vancouver, British Columbia.	W. C. Woodward, M. P. P.	Vancouver Board of Trade.
Do.....	J. E. Sears.....	Private broadcasting stations and advertisers.
Do.....	W. Clarke.....	Vancouver Radio Trades Association.
Do.....	J. Stanfield.....	Do.
Do.....	M. Lister.....	New Westminster and District Radio Association.
Do.....	G. W. Hubbard.....	Vancouver Radio Listeners' Association.
Do.....	W. Workman.....	Do.
Do.....	Norman Hill.....	Do.
Do.....	R. Burgess.....	British Columbia Broadcasting Bureau.
Do.....	H. A. Hooper.....	Electrical Communication Workers of Canada.
Do.....	F. G. T. Lucas, K. C.	Stations CKMO (Sprott-Shaw) and CJOR (Chandler).
Do.....	W. H. Thornburg.....	Witness for Mr. Lucas.
Do.....	R. J. Sprott.....	Do.
Do.....	Geo. Chandler.....	Do.
Do.....	Rev. E. McGougan.....	Station CKFC (United Church of Canada).
Do.....	W. Tinney.....	International Bible Students' Association of Vancouver.
Do.....	C. M. Defieux.....	
April 23, Edmonton, Alberta.	P. J. Giffen.....	Station CJCA (Edmonton Journal).
Do.....	John Blue.....	Edmonton Chamber of Commerce.
Do.....	J. G. Pearson.....	Edmonton Broadcast Listeners' Association.
Do.....	Peter B. Biggins.....	Christian Science Committee on Publications.
Do.....	Dr. H. J. MacLeod.....	Station CKUA (University of Alberta).
April 25, Calgary, Alberta.	M. V. Chesnut.....	Calgary Radio Dealers' Association.
Do.....	H. Ross.....	Do.
Do.....	B. A. Choppen.....	Calgary Radio Club.
Do.....	Cecil Lamont.....	Station CKLC (Alberta Pacific Grain Co.); Station CJCJ (Albertan Publishing Co.); Station CFON (Western Broadcasting Co., Ltd.); Station CJOC (Lethbridge Broadcasting Station).
Do.....	Norman Smith.....	United Farmers of Alberta.
Do.....	O. L. Spencer.....	Calgary Herald, Station CFAC.
Do.....	Geo. Hunter.....	Red Deer Board of Trade.
Do.....	Fred White, M. L. A.	Labor (unofficially).
Apr. 29, Saskatoon, Saskatchewan.	E. H. Williams.....	United Farmers of Canada (Saskatchewan section).
Do.....	J. F. Garrett.....	Western Producer.
Do.....	A. R. MacKenzie.....	Station CJHS (J. H. Speers Co.).
Do.....	Canon Armitage.....	Ministerial Association of Saskatoon.
Do.....	Reverend Alderwood.....	Do.
Do.....	Reverend Reid.....	Do.
Do.....	Rev. W. L. Christy.....	Reorganized Church of Jesus Christ of Latter Day Saints.
Do.....	W. D. Slocumbe.....	Saskatoon Radio Service Club.
Do.....	D. F. Streh.....	Station CFQC (Electric Shop, Ltd).
Do.....	A. A. Murphy.....	Do.
Do.....	Rev. C. B. Smith.....	Elim Pentecostal Tabernacle.
Do.....	F. R. MacMillan.....	Saskatoon Board of Trade.
Do.....	H. R. Worden.....	Saskatoon Star-Phoenix.
Do.....	Harry L. Turner.....	Old Knox Church.
Apr. 30, Prince Albert, Saskatchewan.	Mayor S. J. A. Branion.....	
Do.....	J. Smart.....	
Do.....	J. A. Foerster.....	
Do.....	E. C. Osborne.....	
Do.....	J. A. Klein.....	
Do.....	W. A. Johnston.....	
Do.....	H. W. Davy.....	
Do.....	W. Hart.....	
Do.....	P. W. Mahon.....	
May 2, Regina, Saskatchewan.	G. R. Dolan.....	Central Collegiate Institute.
Do.....	I. H. Bowman.....	Regina Board of Trade.
Do.....	W. J. Wilson.....	
Do.....	Rev. R. McElroy Thompson.....	Regina Ministerial Association.
Do.....	Dr. W. Waddell.....	Native Sons of Canada.
May 3, Moose Jaw, Saskatchewan.	E. Swain.....	Moose Jaw Radio Association.
Do.....	Wm. Ward.....	J. Richardson & Sons.
Do.....	F. J. Workman.....	
Do.....	A. J. Wickens.....	Amateur Radio Association, Board of Trade, Junior Board of Trade, Lions Club, and Rotary Club.
Do.....	Dr. S. A. Merkley.....	Elks, Knights of Pythias, Loyal Order of Moose, and Local Council of Women.
Do.....	Rev. W. Ward.....	Ministerial Association.
Do.....	A. P. Atkins.....	
Do.....	R. H. Kitchen.....	Saskatchewan Teachers' Alliance.

## List of persons making statements at public hearings—Continued

Date and place of hearing	Name of person	Organization represented
May 4, Brandon, Manitoba.	Mayor Cater	City of Brandon.
Do.	Dr. P. C. Hughes (alderman).	
Do.	B. G. Buckingham.	Brandon Board of Trade.
Do.	J. A. Keddy.	
Do.	C. R. Heise.	
Do.	John E. Lowry.	Manitoba Telephone System.
May 7, Winnipeg, Manitoba.	Robert Durward.	Independent Labor Party of Manitoba.
Do.	C. S. Booth.	Winnipeg Board of Trade, Young Men's Section.
Do.	Miss L. Staples.	Manitoba Teachers' Federation.
Do.	W. D. Bayley.	Manitoba Department of Education.
Do.	W. T. Allison.	University of Manitoba.
Do.	V. W. Jackson.	Do.
Do.	A. Murray Ross.	Amalgamated Radio Dealers' Association.
Do.	D. R. P. Coats.	J. Richardson & Sons.
Do.	Maurice Goulet.	Do.
May 8, Port Arthur, Ontario.	H. J. Hanwell.	Port Arthur Radio Club and Chamber of Commerce.
Do.	C. S. Taylor.	Fort William Radio Club, City Council, and Board of Trade.
Do.	A. A. Anderson.	Sons of England.
Do.	B. G. Smalley.	
Do.	I. N. Geary.	Fort William City Council.
Do.	F. A. Richens.	Fort William Board of Trade.
Do.	Alderman Teskey.	
May 13, Windsor, Ontario.	Mayor Jackson.	City of Windsor.
Do.	E. B. Winter.	Do.
Do.	J. Y. Wesley.	Radio Dealers' Association.
Do.	W. D. Kirby.	Border Cities Broadcasting Co.
Do.	Justus Miller.	Chamber of Commerce.
Do.	H. A. Graybiel.	Border Cities Star.
Do.	H. Link.	London Free Press.
May 14, London, Ontario.	C. H. Langford.	Langford Radio Co.
Do.	E. S. Crawford.	Crawford Piano Co.
May 15, Hamilton, Ontario.	F. I. Kerr.	Hamilton Spectator.
Do.	Wm. Mulliss.	Do.
Do.	G. H. Lees.	Station CHML (Maple Leaf Radio Co.).
Do.	H. Slack.	Station CKOC (Wentworth Radio Co.).
Do.	L. Lloyd.	Radio Club.
May 17, Toronto, Ontario.	W. H. Cross.	
Do.	H. S. Moore.	Station CFRB (Standard Radio Manufacturing Corporation).
Do.	A. H. K. Russell.	American Radio Relay League.
Do.	G. Clark.	Station CFCF (Toronto Star).
Do.	W. S. Campbell.	Canadian Manufacturers Association.
Do.	Alex. Marshall.	Do.
Do.	A. MacKenzie.	Station CKNC (Canadian National Carbon Co.); Radio Manufacturers.
Do.	C. Jenkins.	
May 28, Sherbrooke, Quebec.	Mayor Tetreault.	City of Sherbrooke.
Do.	J. W. McKee.	Board of trade.
Do.	C. B. Howard, M. P.	
May 29, Montreal, Quebec.	A. T. Durnford.	Canadian Handicrafts Guild.
Do.	Mrs. H. V. Dugan.	Do.
Do.	A. Gagnon.	
Do.	J. Hayes.	Montreal and District Radio Club.
Do.	U. E. Germain.	Do.
Do.	G. E. Dussault.	Do.
Do.	I. Cooper.	
May 31, Chicoutimi, Quebec.	W. H. Giroux.	
Do.	A. Viau.	
Do.	J. E. R. Tremblay.	
Do.	R. E. Joron.	
Do.	L. Madier.	
Do.	J. E. A. McConville.	
Do.	Eug. L'Heureux.	
June 5, Quebec, Quebec.	A. Lariviere.	Quebec Radio Club.
Do.	J. N. Thivierge.	Le Soleil.
Do.	G. A. Vandry.	Station CKCV (owner).
Do.	E. Fontaine.	Station CHRO (owner).
Do.	C. M. Dechene.	
June 13, Fredericton, New Brunswick.	Dr. W. C. Kierstead.	Fredericton Rotary Club.
Do.	G. W. Brown.	
Do.	J. Stewart Neill.	
June 14, St. John's, New Brunswick.	F. P. Vaughan, M.Sc.	St. John Radio Listeners.
Do.	C. A. Munro.	Station CFBO (owner).
June 17, Halifax, Nova Scotia.	Mayor Castinguay.	City of Halifax.
Do.	Dr. S. G. Ritchie.	Halifax County Radio Association.
Do.	G. E. Ritchie.	Do.
Do.	John T. Joy.	Do.
Do.	Dr. F. W. Patterson.	Acadia University.
Do.	F. W. Johnson.	
June 18, Sydney, Nova Scotia.	Hon. Finlay MacDonald, M. P.	City of Sydney.
Do.	R. F. Young.	Sydney Radio Club.
Do.	G. H. Wheeler.	Do.

## List of persons making statements at public hearings—Continued

Date and place of hearing	Name of person	Organization represented
June 18, Sydney Nova Scotia.	N. Nathanson.	Station CJCB (owner).
Do.	R. Ingraham.	
Do.	Frank Nolan.	
June 20, Charlottetown, Prince Edward Island.	Mayor Ira Yeo.	City of Charlottetown.
Do.	K. S. Rogers.	Station CFCY (Island Radio Co.).
Do.	J. A. Gesner.	Station CHCK (W. E. Burke).
Do.	R. L. Mollison.	Station CHGS (R. T. Holman, Ltd.).
Do.	W. P. Doull.	
Do.	B. W. Lepage, M. P. P.	
July 3, Ottawa, Ontario.	W. T. Burford.	All-Canadian Congress of Labor.
Do.	J. McIntyre.	
Do.	J. A. McIsaac.	Canadian Legion of the B. E. S. L.
Do.	G. Herwig.	

In addition to spoken statements made by persons named in the above list, written views have been received from the following persons and organizations:

British Columbia: Svend A. Blangsted, Vancouver; the Vancouver Band and Orchestral Institute, Vancouver; Sparks Co., Vancouver; the Salmon Arm Radio Club, Salmon Arm; Frank DeGrey, New Westminster; the Penticton Herald, Penticton; Kelowna Radio Association, Kelowna; B. W. Crowther, Nelson; C. J. Cherry, Victoria; H. M. Diggon, Kiwanis committee on public affairs for Canada, Victoria; Lieut. Col. J. DeB. Cowan, Crawford Bay; George H. Keyes, Nakusp; Mrs. R. S. Goodwin, Vancouver; George H. Bird, Port Alberni; Pitman's Music Store, Prince George; E. H. Sweeney, Bamberton, Tod Inlet.

Alberta: T. A. Crowe, Calgary; the Red Deer Advocate (Ltd.), Red Deer; Mrs. Bland, Calgary; S. E. Andrews, Calgary; G. F. Stooke, Drumheller; H. S. Craig, Edmonton; French-Canadian Association of Alberta, Edmonton; Dr. C. C. Tatham, Edmonton; C. Hunt, Edmonton; Mrs. F. C. Watts, Carstairs; Western Grocers (Ltd.), Edmonton; J. F. Hodson, Hobbema; F. Ranson, New Hill; J. A. Mitchell, Paken; A. Rudford, Edmonton.

Saskatchewan: W. A. Johnston, Gap View; Mrs. D. A. Rodgers, Middle Lake; Rev. W. J. Wilson, Brora; Kiwanis International, Saskatoon; David T. Dick, Ridgedale; J. E. Wilks, Forest Gate; J. W. Truman, Biggar; W. W. Lindley, Semans; Canora Radio Association, Canora; H. Turner, Wilson Lake; George Lumley, Alida; Charles H. Marchant, Saskatoon; Charles Peterson, Wadena; John W. Fowler, Quill Hill; G. W. S. Bowlby, Lovernia; Wilber Ennis, Tisdale; W. Harold Child, St. Denis post office; F. Wilhelm, Saskatoon.

Manitoba: Association d'Education des Canadiens-Français, Saint-Boniface; the Film & Slide Co. of Canada, Winnipeg; A. R. Willson, Kirkella; A. Grimshaw, Winnipeg; K. D. Ewart, Winnipeg; F. F. Cottrell, Winnipeg; J. E. Lowry, Winnipeg.

Ontario: The Royal Society of Canada, Ottawa; Professional Institute of the Civil Service, Ottawa; Harry Belcher, Waterloo; Universities Conference, Ottawa; L. C. Servos, Toronto; the Dominion Battery Co. (Ltd.), Toronto; Ralph W. Ashcroft, Toronto; Trans-Canada Broadcasting Co., Toronto; Norman Cole, Ottawa; Gooderham & Worts (Ltd.), Toronto; Samuel Redmonds, Meaford; J. O. Thorn, Toronto; Mrs. Frank Strickland, Hamilton; Rev. Canon A. J. Fidler, Toronto; A. G. Ewens, Hamilton; University of Western Ontario, London; Western Ontario "Better Radio" Club, Chatham; the Canadian Red Cross Society, Toronto; James McHardy, Toronto; Board of Education, Windsor; the Trades and Labor Congress of Canada, Ottawa; Canadian Postmasters' Association, Aurora; Telephone City Radio Association, Brantford; R. H. Combs, Toronto; Canadian Legion of the B. E. S. L., Ottawa; Lord's Day Alliance of Canada, Toronto; the Girl Guides Association, Toronto; William Watt, Orangeville; Canadian Automobile Association, Toronto; Classic City Radio Club, Stratford; Aviation League of Canada, Hamilton; Bowmanville Radio Club, Bowmanville; Ernest Barlen, Kitchener; Walter Peters, Peterboro; E. Westhook, Galt; D. R. Thomas, Toronto; John Harris, Preston; George O. Hubert, Galt; F. A. Burlingham, Wellington; A. H. Allen, Toronto; W. H. Cross, Bolton; Canadian Association of Broadcasters, Toronto.

Quebec: The Province of Quebec Radio Trades Association, Montreal; Jean Riddez, Montreal; D. H. Barclay, Quebec; "La Presse," Montreal; Canadian National Railways, Montreal; Beveridge Supply Co., Montreal; Radio Club of Quebec, Quebec; A. Leger, Montreal; the Engineering Institute of Canada, Montreal; Cardinal Rouleau, Quebec; Canadian Pacific Railways, Montreal; Grand Lodge, Knights of Pythias, Montreal; the James Buckley Co., Montreal; Leo S. Kirshben, Montreal; Austin R. MacKay, Grand Caspédia; A. J. E. Catto, Dorval; Prof. J. Arthur Villeneuve, Montreal; E. J. L'Esperance, Montreal.

New Brunswick: H. Roberts, Westfield; the Telephone Association of Canada, St. John.

Nova Scotia: Harold O. Hoganson, Halifax; W. S. Abbott, Clements-port; Federated Women's Institute of Canada, Wolfville; C. S. Taylor, Stewiacke; Halifax County Radio Association, Halifax.



Prince Edward Island: United Baptist Convention of the Maritime Province, Charlottetown.

#### APPENDIX III

##### STATEMENTS RECEIVED FROM PROVINCIAL GOVERNMENTS

Victoria, British Columbia, April 17, 1929:

" \* \* \* The government of British Columbia is ready and willing to enter into negotiations with the Government of Canada and the governments of the various Canadian Provinces with a view to the organization of radiobroadcasting on a basis of public service by some method that may be mutually agreed upon by the said governments \* \* \* "

Edmonton, Alberta, April 23, 1929:

" \* \* \* The government of Alberta is ready and willing to enter into negotiations with the Government of Canada and the governments of the various Provinces of Canada with a view to the organization of radiobroadcasting on a basis of public service by some method that may be mutually agreed upon by the said governments \* \* \* "

Regina, Saskatchewan, May 1, 1929:

" \* \* \* The government of the Province of Saskatchewan is ready and willing to enter into negotiations with the Government of Canada and the governments of the various Provinces of Canada with a view to the organization of radiobroadcasting on a basis of public service by such method as may be mutually agreed upon by the said governments \* \* \* "

St. John, New Brunswick, June 15, 1929:

" \* \* \* The government of New Brunswick, while insisting that constitutionally the Provinces are not subject to any legislative or executive interference in dealing with the subject of broadcasting, except in time of war, is of opinion that cooperation between the Provinces and the Dominion would be beneficial in promoting national mutual understanding and education, and the government is willing to enter into conference to ascertain the best method by which these objects may be attained \* \* \* "

Toronto, Ontario, June 28, 1929:

" \* \* \* The government of Ontario is ready and willing to enter into negotiations with the Government of Canada and the governments of the various Canadian Provinces with a view to the organization of radiobroadcasting on a basis of public service by some method that may be mutually agreed upon by the said governments \* \* \* "

Winnipeg, Manitoba, July 2, 1929:

" \* \* \* The government of Manitoba is ready and willing to enter into negotiations with the Government of Canada and the governments of the various Canadian Provinces with a view to organization of radiobroadcasting on a basis of public service by some method that may be mutually agreed upon \* \* \* "

Halifax, Nova Scotia, July 6, 1929:

" \* \* \* The government of Nova Scotia is ready and willing to enter into negotiations with the Government of Canada and the governments of the various Provinces of Canada with a view to the organization of radiobroadcasting on a basis of public service, by such method as may be mutually agreed upon by the said governments \* \* \* "

Charlottetown, Prince Edward Island, July 18, 1929:

" \* \* \* The government of Prince Edward Island is ready and willing to enter into negotiations with the Government of Canada and the governments of the various Canadian Provinces, with a view to the organization of radiobroadcasting on a basis of public service, by some method that may be mutually agreed upon by the said governments \* \* \* "

Quebec, Quebec (translation), August 28, 1929:

" \* \* \* The government of the Province of Quebec will be glad to collaborate as fully as possible and to give to the Government of the Dominion of Canada its support in order to solve the difficulties which exist at present in relation to broadcasting in Canada, as well as abroad.

" However, while collaborating with the Government of Canada, as mentioned above, the government of the Province of Quebec does not intend to waive its rights of jurisdiction which have been granted to it by the British North America act, and this in so far as radiobroadcasting is concerned. Although making this reservation, I am convinced that a definite policy could be established under common agreement between the Government of Canada and the various provincial governments in the general interest of the country \* \* \* "

#### APPENDIX IV

##### BROADCASTING IN CANADA

Broadcasting in Canada is at present carried on by private enterprise except in the Province of Manitoba, where the stations are owned and operated by the provincial government.

Full jurisdiction over the administration of all radio matters in the Dominion, including the licensing and control of broadcasting stations, is vested in the Minister of the Department of Marine and Fisheries, and is exercised in accordance with the radiotelegraph act (Canada) and regulations issued thereunder (R. S. Canada, 1927, ch. 195).

Two classes of broadcasting license are granted by the department—namely, private commercial and amateur, the fees for same being \$50 and \$10, respectively, per fiscal year.

Licenses for broadcasting stations are issued only to British subjects or to companies incorporated under the laws of the Dominion of Canada or any of the Provinces thereof. In addition, the issue of amateur broadcasting licenses is restricted to recognized radio associations; they are not granted to individuals. An association licensed to operate an amateur broadcasting station may, however, subject to the approval of the minister, authorize a station belonging to one of its members to broadcast on its behalf.

Receiving licenses are granted by the department to any person in the Dominion irrespective of nationality, the fee for this class of license being \$1 per annum.

For the purpose of dealing with preventable interference in its various forms the department maintains throughout the Dominion a free inspection service, including a number of specially equipped cars for the purpose of tracing and dealing with interference caused by faulty power systems and associated electrical apparatus of various kinds.

The amount of revenue collected from receiving license fees is taken into consideration by the department each year when preparing its estimates to provide for this free service accorded the listening public.

While the subsidizing by the department of private commercial broadcasting stations deemed worthy of financial assistance is provided for in the legislation out of the receiving license fees collected, this provision has been given effect only in the case of the Province of Manitoba. In that Province, where the broadcasting stations at Winnipeg and Brandon are operated by the provincial government telephone system, 50 per cent of all radio-receiving license fees collected reverts to the provincial authorities.

A statement showing the number of broadcasting and receiving licenses issued by the department at various dates appears below, together with a list of broadcasting stations at present licensed.

#### I. Broadcasting licenses

Fiscal year	Private commercial	Amateur	Total
1922-23	62	8	70
1923-24	46	22	68
1924-25	63	17	80
1925-26	55	16	71
1926-27	73	23	96
1927-28	84	15	99
1928-29	79	12	91
1929-30	178	9	187

<sup>1</sup> This includes 16 licenses for "phantom" stations.

#### II. Receiving licenses

##### RADIO BROADCASTING

	1922-23	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29
Northwest Territories		4	3	17	46	94	111
Yukon		12	23	31	31	14	
British Columbia	2,789	6,049	9,494	14,776	18,561	23,407	14,957
Alberta	1,994	5,843	7,152	10,588	14,936	20,450	27,338
Saskatchewan	2,655	9,303	15,944	22,238	26,635	27,338	20,450
Manitoba	1,722	6,533	14,503	18,005	19,288	145,263	145,263
Ontario	11,677	41,347	60,110	102,504	125,012	145,263	145,263
Quebec	9,250	18,211	21,141	39,207	51,347	49,751	49,751
New Brunswick	430	1,240	2,612	2,968	4,475	6,285	6,285
Nova Scotia	970	2,772	3,288	4,998	7,108	8,587	8,587
Prince Edward Island	138	163	202	289	587	757	757
Total	9,954	31,609	91,996	134,486	215,650	268,055	296,926

NOTE.—The periods shown above are from April 1 to March 31 the following year (the Dominion Government fiscal year).

#### III. Broadcasting Stations

##### PRIVATE COMMERCIAL

##### Alberta:

Calgary—434.8 M (690 K/C)—  
CFAC, Calgary Herald, 500 W.  
CFCN, Western Broadcasting Co., 500 W.  
\*CNRC, Canadian National Railways, 500 W.  
CJCF, The Albertan Publishing Co., 500 W.  
\*CHCA, The Western Farmer (Ltd.), 500 W.

Red Deer—357.1 M (840 K/C)—  
CKLC, Alberta Pacific Grain Co., 1,000 W.  
\*CHCT, G. F. Tull & Arden (Ltd.), 1,000 W.

Edmonton—517.2 M (580 K/C)—  
CJCA, Edmonton Journal, 500 W.  
CHMA, Christian & Missionary Alliance, 250 W.  
CKUA, University of Alberta, 500 W.  
\*CNRE, Canadian National Railways, 500 W.

Lethbridge—267.9 M (1,120 K/C)—  
CJOC, Harold R. Carson, 50 W.

##### British Columbia:

Chilliwack—247.9 M (1,210 K/C)—  
CHWK, Chilliwack Broadcasting Co., 5 W.

## British Columbia—Continued.

Kamloops—267.9 M (1,120 K/C)—  
CFJC, N. S. Dalgleish & Sons and Weller & Weller, 15 W.  
Vancouver—411 M (730 K/C)—  
CKCD, Vancouver Daily Province, 50 W.  
\*CHLS, W. G. Hassell, 50 W.  
CKWX, A. Holstead & Wm. Hanlon, 100 W.  
CKMO, Sprott-Shaw Radio Co., 50 W.  
CKFC, United Church of Canada, 50 W.  
Vancouver District—291.3 M (1,030 K/C)—  
CJOR, G. C. Chandler (Sea Island), 50 W.  
CNRV, Canadian National Railways (Lulu Island), 500 W.  
Victoria—476.2 M (630 K/C)—  
CFCT, Victoria Broadcasting Association, 500 W.

## Manitoba:

Winnipeg—384.6 M (780 K/C)—  
CKY, Manitoba Telephone System, 5,000 W.  
\*CNRW, Canadian National Railways, 500 W.  
CJRX, J. Richardson & Sons (short wave 25.6 M—11,720 K/C),  
2,000 W.  
Brandon—555.6 M (540 K/C)—  
CKX, Manitoba Telephone System, 500 W.

## New Brunswick:

Fredericton—247.9 M (1,210 K/C)—  
CFNB, James S. Neill & Sons, 50 W.  
St. John—337.1 M (890 K/C)—  
CFBO, C. A. Munro (Ltd.), 50 W.  
Moncton—476.2 M (630 K/C)—  
CNRA, Canadian National Railways, 500 W.

## Nova Scotia:

Halifax—322.6 M (930 K/C)—  
CHNS, Halifax Herald (Ltd.), 500 W.  
Wolfville—322.6 M (930 K/C)—  
CKIC, Acadia University, 50 W.  
Sydney—340.9 M (880 K/C)—  
CJCB, N. Nathanson, 50 W.

## Ontario:

Brantford—297 M (1,010 K/C)—  
CKCB, John Patterson, 50 W.  
Chatham—247.9 M (1,210 K/C)—  
CFCO, Western Ontario "Better Radio" Club, 25 W.  
Cobalt—247.9 M (1,210 K/C)—  
CKMC, R. L. MacAdam, 15 W.  
Hamilton—340.9 M (880 K/C)—  
CHCS, Hamilton Spectator, 10 W.  
CKOC, Wentworth Radio & Auto Supply Co. (Ltd.), 50 W.  
CHML, Maple Leaf Radio Co., 50 W.  
Iroquois Falls—500 M (600 K/C)—  
CFCH, Abitibi Power & Paper Co., 250 W.  
Kingston—267.9 M (1,120 K/C)—  
CFRC, Queen's University, 500 W.  
London—329.7 M (910 K/C)—  
CJGC, London Free Press and Printing Co. (Ltd.), 500 W.  
\*CNRL, Canadian National Railways, 500 W.  
Midland—267.9 M (1,120 K/C)—  
CKPR, Midland Broadcasting Corporation, 50 W.  
Ottawa—434.8 M (690 K/C)—  
CNRO, Canadian National Railways, 500 W.  
CKCO, Dr. G. M. Geldert, 100 W.  
Prescott—297 M (1,010 K/C)—  
CFLC, Radio Association of Prescott, 50 W.  
Preston—247.9 M (1,210 K/C)—  
CKPC, Wallace Russ, 50 W.  
Toronto—517.2 M (580 K/C)—  
CKNC, Canadian National Carbon Co., 500 W.  
\*CJSC, Evening Telegram, 500 W.  
CKCL, Dominion Battery Co., 500 W.  
Toronto—357.1 M (840 K/C)—  
CFCA, Star Publishing Co., 500 W.  
\*CKOW, Nestle's Food Co., 500 W.  
\*CNRT, Canadian National Railways, 500 W.  
Toronto District—312.5 M (960 K/C)—  
CFRB, Standard Radio Corporation (Ltd.), 4,000 W.  
CKGW, Gooderham & Worts (Ltd.), (Bowmanville), 5,000 W.  
Toronto and district waves—  
\*CJBC, Jarvis Street Baptist Church.  
Prince Edward Island:  
Charlottetown—312.5 M (960 K/C)—  
CFXY, Island Radio Co., 250 W.  
CHCK, W. E. Burke, 30 W.  
Summerside—267.9 M (1,120 K/C)—  
CHGS, R. T. Holman (Ltd.), 25 W.

## Quebec:

Montreal—411 M (730 K/C)—  
CHYC, Northern Electric Co., 500 W.  
CKAC, La Presse Publishing Co., 5,000 W.  
\*CNRM, Canadian National Railways, 1,650–5,000 W.

## Quebec—Continued.

Montreal—291.3 M (1,030 K/C)—  
CFCF, Canadian Marconi Co., 1,650 W.  
Quebec—340.9 M (880 K/C)—  
CKCI, Le "Soleil" (Ltd.), 22½ W.  
CHRC, E. Fontaine, 25 W.  
CKCV, G. A. Vandry, 50 W.  
\*CNRQ, Canadian National Railways, 50 W.  
St. Hyacinthe—297 M (1,010 K/C)—  
CKSH, city of St. Hyacinthe, 50 W.

## Saskatchewan:

Fleming—500 M (600 K/C)—  
CJRW, J. Richardson & Sons, 500 W.  
Moose Jaw—500 M (600 K/C)—  
CJRM, J. Richardson & Sons, 500 W.  
Regina—312.5 M (960 K/C)—  
CHWC, R. H. Williams & Sons, 500 W.  
CKCK, Leader Publishing Co., 500 W.  
\*CJBR, Saskatchewan Co-Operative Wheat Producers (Ltd.),  
500 W.  
\*CNRK, Canadian National Railways, 500 W.  
Saskatoon—329.7 M (910 K/C)—  
CFGC, Electric Shop (Ltd.), 500 W.  
\*CNRS, Canadian National Railways, 500 W.  
CJHS, Radio Service (Ltd.), 250 W.  
Yorkton—476.2 M (630 K/C)—  
CJGX, Winnipeg Grain Exchange, 500 W.

## Amateur

(250 M—1,200 K/C)

- 10 AB, Moose Jaw Radio Association, Moose Jaw, Saskatchewan.
- 10 AE, Bowmanville Radio Club, Bowmanville, Ontario.
- 10 AK, Classic Radio Club, Stratford, Ontario.
- 10 AY, Kelowna Radio Association, Kelowna, British Columbia.
- 10 BI, Prince Albert Radio Club, Prince Albert, Saskatchewan.
- 10 BP, Wingham Radio Club, Wingham, Ontario.
- 10 BQ, Telephone City Radio Association, Brantford, Ontario.
- 10 BU, Canora Radio Association, Canora, Saskatchewan.
- 10 CB, Liverpool Broadcasting Society, Liverpool, Nova Scotia.

NOTE.—\* "Phantom" stations: A "phantom" station is defined as one which owns no physical equipment but is allotted a distinctive call signal and is licensed to operate over a station having physical equipment.

M=Meters. K/C=Kilocycles. W=Watts.

Mr. DILL. Mr. President, I have in my hand also an Associated Press dispatch explaining that the preliminary injunction granted by Judge Morris in the district court of Delaware some months ago against the Radio Corporation has been made permanent. The preliminary injunction was granted in February, 1928. It was appealed to the circuit court and affirmed there, and the Supreme Court of the United States refused to review the case. It then went back to Judge Morris for trial on the merits as to the issuance of a permanent injunction. He took testimony; he has had the case under consideration for several months, and his decision now is that the injunction shall be made permanent. It means that the Radio Corporation has violated the Clayton Act and is now in danger of losing its license under the radio act. The case will be appealed to the circuit court, no doubt, but if it is affirmed there that will be the end of it.

I am extremely glad that we are getting some action on these monopolistic practices of the Radio Corporation. It only confirms what has long been my belief, namely, that if the statutes now written are really enforced the people can be pretty well protected under the existing laws against monopoly. It raises the question, however, as to the advisability of Congress enacting a law that will prohibit those engaged in the manufacture of radio equipment from engaging in broadcasting or in commercial radio business. In other words, a temptation exists when the manufacturers of radio equipment are in the field competing in the broadcasting art with those to whom they furnish the equipment. I am not prepared at this time to discuss that question, nor do I think it desirable to do so, but I think it is a question that must be considered by Congress. I ask that the Associated Press dispatch to which I have referred may be printed in the Record at this point.

The VICE PRESIDENT. Without objection, it is so ordered. The dispatch is as follows:

[From the Washington Star, November 20, 1929]

INJUNCTION GRANTED IN RADIO-TUBE SUIT—COURT ORDERS RADIO CORPORATION OF AMERICA TO REFRAIN FROM USING CONTRACT CLAUSE

WILMINGTON, DEL., November 20.—A permanent injunction against the Radio Corporation of America was issued in the United States district court yesterday in an opinion by Judge Hugh M. Morris, in which the court held the Radio Corporation had violated the Clayton Monopoly



Act by the insertion of a clause in its contracts with dealers which provided that purchases of all radio tubes for initial installation should be made from them.

The suit was instituted by Arthur D. Lord, receiver in equity for the De Forest Radio Co., Northern Manufacturing Co., United Radio & Electric Corporation, Televocal Corporation, and Harry Chirelstein, doing business under the name of the Sonatron Tube Corporation.

The plaintiff's motion for a preliminary injunction was granted February 9, 1928.

The Radio Corporation asserted that the evidence adduced at the final hearing disclosed that the licenses of the defendant were indispensable parties to the cause, and that the clause at issue was not a contract or agreement. In his opinion Judge Morris said effect of the clause "may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

The Radio Corporation is expected to enter an appeal.

Mr. DILL. Mr. President, I am not going to take any more time on this subject, much as I should like to discuss it; but I do think that the Senate is meriting some of the abuse that is being heaped upon it by everlastingly talking politics here when we ought to work on the tariff bill.

#### EXECUTIVE MESSAGES

Sundry messages in writing were communicated to the Senate from the President of the United States by Mr. Hess, one of his secretaries.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following concurrent resolution and joint resolution of the Senate:

S. Con. Res. 19. Concurrent resolution providing for sine die adjournment of the present session of Congress on November 22, 1929; and

S. J. Res. 82. Joint resolution authorizing the payment of salaries of the officers and employees of Congress for November, 1929, on the 27th day of that month.

The message also announced that the House had passed a joint resolution (H. J. Res. 130) to provide for the compensation of page boys of the Senate and House of Representatives during the entire month of November, 1929, in which it requested the concurrence of the Senate.

The message further announced that the House had adopted a resolution (H. Res. 67) providing for the appointment of a committee of two Members of the House to join a similar committee on the part of the Senate to wait upon the President of the United States and inform him that the two Houses have completed the business of the present session and are ready to adjourn unless the President has some other communication to make to them.

The message also communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. James William Good, late the Secretary of War and a Member of the House of Representatives from the State of Iowa from the Sixty-first to the Sixty-seventh Congress.

#### ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker of the House had affixed his signature to the enrolled joint resolution (S. J. Res. 82) authorizing the payment of salaries of the officers and employees of Congress for November, 1929, on the 27th day of that month, and it was signed by the Vice President.

#### THE PETROLEUM INDUSTRY

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter sent George Horace Lorimer, editor of the Saturday Evening Post, by W. H. Gray, president of the National Association of Independent Oil Producers, relating to the oil industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 14, 1929.

Mr. GEORGE HORACE LORIMER,

Editor Saturday Evening Post, Philadelphia, Pa.

DEAR SIR: The National Association of Independent Oil Producers is affiliated with most every independent association in the United States. Among these associations may be catalogued the Mid-Continent Royalty Owners Association, which particularly represents the landowners and the owners of mineral rights in Oklahoma, Texas, Kansas, Louisiana, and Arkansas.

It is the firm belief of these associations that only the States have any power in the matter of the regulation of the petroleum industry and in addition to that we believe the constitutions of these States guarantee to them their title without any interference by the Federal Government. However, we welcome any assistance the Federal Government is able to give us in the matter of conservation of the petroleum resources of this country.

It goes without saying that owners of the land from which oil is being produced are as heartily in accord with the matter of prevention of waste as would be the Federal Government or the States. They want their properties developed, but they do not want any waste and they have shown themselves always willing to cooperate with the operator of the oil properties and with the Government.

Mr. Wilbur seems to have gathered the idea that in some way the public has a particular interest in the oil industry which they do not have in the conservation of other natural resources such as the sulphur deposits in Texas, the timber business, or the coal deposits. These are as important to life as are the petroleum deposits of the country.

The petroleum industry stands willing to comply at all times with any rule in the matter of conservation that is fair and reasonable, but it does request that every other natural resource be brought under the same rule that might be applied to the petroleum resources.

Mr. Wilbur, in his statement in your valuable magazine, charges the oil industry with a ruthless waste of a great natural resource. This statement we deny, and in answer to him we say that there is no industry in the United States to-day that is cooperating as efficiently as the oil industry in the matter of conserving its resources. There is not an association within the industry that is not doing its part. There is not an industry that employs more engineers and scientific men for the purpose of conserving every operation within the industry, and there is no waste.

On behalf of the independent producers and landowners in the United States we invite an investigation by any governmental body that may be selected to investigate and determine whether or not the petroleum industry is conducting itself in such a manner that it should be subjected to the criticism of high governmental officials.

Yours very truly,

W. H. GRAY,

President National Association of Independent Oil Producers.

#### THE MANGANESE RESERVES

Mr. ASHURST. Mr. President, I ask leave to have printed in the RECORD an editorial from the Manufacturers Record, of Baltimore, Md., under date of September 26, 1929, relating to manganese deposits.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Manufacturers Record, Baltimore, Md., September 26, 1929]

DIRECTOR OF GEOLOGICAL SURVEY REPORTS HE MADE NO ESTIMATE OF MANGANESE RESERVES

Dr. George Otis Smith, Director of the United States Geological Survey of the United States Department of the Interior, in reply to a letter from the Manufacturers Record asking him as to the report that he had made some estimate in regard to the amount of manganese deposits in this country, writes as follows:

"So far as I can recall or discover through a search of printed or written statements that I have made, I do not find that I have said that there is 'about two years' supply of manganese ore in America.' Furthermore, I have made no estimate of the manganese reserves, and such a total is so far below any estimate with which I am acquainted that it seems not at all consistent with any statement that I would make on the subject were I unwise enough to express a quantitative opinion on a question into which so many variables enter.

"Not having made the estimate referred to, I need not answer your questions based thereon."

The letter of inquiry to Doctor Smith, and to which the foregoing is a reply, is as follows:

"You have been rather widely quoted as saying that there was about two years' supply of manganese ore in America. I do not know whether you were correctly quoted or not. At any rate, I think this report credited to you has been accepted by a good many people who do not know the whole situation. Will you, therefore, kindly favor me with replies to the following questions?

"1. How many separate deposits were included in that estimate? In what States are they located? Has each owner been advised of the tonnage which you estimated was on his property, and was the work done with the cooperation of the owner or his representative?

"2. By what method of calculation did you arrive at your total of approximately 2,000,000 tons? Was this high-grade ore only or did you take into consideration the lower-grade ores which might be so concentrated as to become high grade?

"3. In the instance of the properties examined was the tonnage blocked out as positive ore, and how? What was the grade of the ore to which you referred? Are there operating mines on these properties; and if not, how long would it take to mine the ore in the case of an emergency, and how quickly?

"4. How long did it take to develop or show up the tonnage to which you referred in your quoted estimate? Can you say positively that the limits of the ore have been reached in each case; and why, or why not? Are there any prospects which have not yet been explored and where large tonnage might yet be shown to exist? Could you answer this question in the negative without actual exploration?

"5. Does the United States Geological Survey make it a practice to estimate tonnage of ore on individual properties? How many of these were embraced in your estimate?"

"6. Does it take a good deal of time and money to open up and prove definite or positive ore in the case of a manganese deposit, and why?"

"7. Will you not answer the above questions fully, rather than referring me to a great many bulletins, although I should be glad to have you send the bulletins, too? However, if it be true that you have stated that there were only about two years' supply of manganese ore in this country, kindly answer the above questions and oblige."

"I am writing you in this way because the information which I have received from many sources is that there is a very large supply of manganese available in America which should be developed, and the lower grades by beneficiation be made available."

Bearing on the same subject is a later letter from Julian D. Sears, Acting Director of the Geological Survey, in reply to a question as to reported discoveries of manganiferous ore in South Dakota, estimated at 50,000,000 tons. Mr. Sears writes:

"The Geological Survey was not the discoverer of the deposits of manganiferous ore in South Dakota to which you refer."

"An examination of these deposits has recently been made by one of the survey geologists, but he will not be able to make any report on his studies until after he returns to Washington late this fall. Your name is being listed to receive a copy of this report if and when it is issued."

At the recent annual meeting of the American Manganese Producers Association it was disclosed that there are manganese reserves sufficient to supply the Nation for 100 years. We are now using about 700,000 to 800,000 tons annually. Incidentally, three of the larger deposits, excluding more than 200 others listed in 34 States of the Union, are reported to give a total of from 150,000,000 to 200,000,000 tons, or enough manganese, when beneficiated, to supply this country from 50 to 75 years. Several processes are now turning out 70 per cent manganese.

In view of these facts, known to the leaders of the manganese industry, it is hard to understand why the United States Geological Survey, in its mineral investigations, has apparently failed to keep pace with the developments of a resource of such extreme importance to the Nation.

#### NOTIFICATION TO THE PRESIDENT

Mr. JONES. Mr. President, I ask unanimous consent for the immediate consideration of the resolution, which I send to the desk.

The resolution (S. Res. 165) was read, considered, and agreed to, as follows:

*Resolved*, That a committee of two Senators be appointed by the Presiding Officer of the Senate, to join a similar committee appointed by the House of Representatives, to wait upon the President of the United States and inform him that the two Houses, having completed the business of the present session, are ready to adjourn, unless the President has some other communication to make to them.

The VICE PRESIDENT appointed Mr. JONES and Mr. WALSH of Montana as members of the committee on the part of the Senate.

#### PAY OF SENATE AND HOUSE PAGES

The joint resolution (H. J. Res. 130) to provide for the compensation of page boys of the Senate and House of Representatives during the entire month of November, 1929, was read twice by its title and referred to the Committee on Appropriations.

Mr. JONES subsequently said: From the Committee on Appropriations I report back favorably without amendment the joint resolution (H. J. Res. 130) to provide for the compensation of page boys of the Senate and House of Representatives during the entire month of November, 1929, and I ask unanimous consent for its present consideration.

There being no objection, the joint resolution was considered as in Committee of the Whole, and it was read, as follows:

*Resolved, etc.*, That the indefinite appropriations for the pay of pages for the Senate and House of Representatives, respectively, contained in the act entitled "An act making appropriations for certain expenses of the legislative branch incident to the first session of the Seventy-first Congress," approved April 26, 1929, are hereby extended to cover the compensation of such pages at the numbers and rates of pay provided therein for the entire month of November, 1929.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

#### SENATOR CARAWAY AND THE LOBBYISTS

Mr. HARRIS. Mr. President, I ask to have printed in the RECORD an editorial from the Atlanta Journal entitled "Tearing Off the Mask of Those 'Patriotic' Lobbyists."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Atlanta (Ga.) Journal]

#### TEARING OFF THE MASK OF THOSE "PATRIOTIC" LOBBYISTS

If Senator CARAWAY's exhortation of lobbyists seem rather too sweeping, it should be remembered that as chairman of the committee investigating those servants of special interest he has had to do with the most insolent and the least scrupulous of them all. He has heard a Grundy, who collected millions of dollars for the benefit of Republican politicians and millions more for influencing tariff legislation, declare, "I am a lobbyist and proud of it." He has heard from the lips of the very actors in the dishonorable drama how an employee of the Connecticut Manufacturers' Association was covertly placed on the Government pay roll and admitted into secret sessions of the Senate Finance Committee when it was framing the tariff bill; and has heard them blatantly pretend to justify such conduct. He has heard an agent of the so-called Southern Tariff Association admit, under pressure of repeated questioning, a project to "blacken" the Democratic Party by putting negroes on its ticket in Northern and Eastern States—a clever scheme indeed to relieve the Republican organization of a long-standing odium in southern eyes, and one worthy of Bishop Cannon himself. Fresh from such disclosures, Senator CARAWAY naturally spoke with keen feeling of the whole lobbying tribe.

"In the last analysis," said he in a radio address at Washington, "there is an attempt to control government and direct it into the channel into which they wish it to flow. And all those who contribute to lobbying enterprises, whether the lobbying be carried on by maintaining elaborate offices here and seeking by personal contact to influence legislative and executive action or by publicity and propaganda waged throughout the United States, by whatever method pursued, the ends sought are the same, to induce the Government to act, or not to act, as they shall direct. Do not both infringe the constitutional rights of the great mass of unorganized American citizens called the public. \* \* \* Everyone who contributes to a lobbyist, whatever be his method, seeks advantages and in his heart must realize that he is engaging and joining with others who are acting with him and contributing to a like cause, to influence government. I say that if he shall succeed in demonstrating that government can be thus controlled does he not invite those who desire to use government for selfish ends, to employ the same methods, if not the same instrumentality? \* \* \* I am not unmindful that those who believe that their efforts have or will result in public good may be offended if they are bracketed with such men as Burgess, Grundy, Arnold, and the like; and I am glad to declare that as far as their motives are concerned there is no kinship; but each finds himself engaged in the same effort—that is, to influence the action of government and have it accept his view and travel the course which he marks out. Each is accomplishing the same result—the destruction of the confidence of the public in the integrity of government. \* \* \* If all who contributed could but see the instrumentalities employed and the men and women who manipulate them, the millions of dollars that annually flow into Washington to the lobbyists congregated here would cease. The Government would be permitted, as it should, to wield its power only for the common good, because if those whose motives are irreproachable should withdraw their support from the lobbyists and the propagandists the white light of publicity would beat so strong on the evil ones that they slink back into the darkness from which they came. \* \* \*

"The great majority of lobbyists—and there are four and a half pages in the telephone directory of Washington taken up with their listings—are parasites. They represent only organized greed. They gather in the widow's mite and the children's pennies and appropriate them to their own use. Lobbyists of this kind, and they are the most numerous, would represent any cause or betray any interest as personal profit might direct."

It was the cunning father of the device to "blacken" the Democratic Party as a means of helping the Republican opposition, who boasted that he "sought money from all sources and refused it from none." And just that is the policy of the lobbyists whom Senator CARAWAY denounces. The Senator has done the country an inestimable service in thus tearing away the mask of hypocrisy and pharisaism behind which these adventurers operate. Some of them affect a profound concern for the prosperity of the workingman, some a pious devotion to the interests of the church, and of moral causes. But behind such pretenses they are really serving the profiteer, promoting tyranny, betraying American principles, breaking down public confidence in government, and above all lining their own spacious pockets. The time has come to scourge them from the Capital, as of old the sordid money changers were flogged out of the temple.

#### THE TARIFF AND ITS RELATION TO AGRICULTURE—ADDRESS BY SENATOR NYE, OF NORTH DAKOTA

Mr. NORBECK. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the junior Senator



from North Dakota [Mr. Nye] delivered on last Saturday over the radio on the subject of the tariff and its relation to agriculture.

There being no objection, the address was ordered to be printed in the RECORD.

Senator Nye spoke as follows:

This opportunity to participate in the inauguration of the Farmers' Union broadcasting program is one I do not discount and one I appreciate greatly. The union is to be congratulated for the initiative in taking this means of affording a forum for its members and in acquainting its nonmembers with its purposes. It must, in the end, afford such contact as will give greater strength in the cause of American agriculture, which has been so long neglected by a nation and government of money-mad people that it has fallen into so serious a state of decay that its trouble is rocking our very economic foundation.

If these radio programs do serve to more closely cement the forces of agriculture and invite the understanding and cooperation of other people, then the Farmers' Union is performing one more great service to not alone the cause of agriculture, but the cause of mankind and our country.

Agriculture is to-day on its way to greater successes only because of a new degree of solidity which has come to make its home among the farm people. Progress toward economic equality for agriculture is being realized because the farm people are working more closely as a unit. Greater organization and greater cooperative effort among the farm people can not help but win results so greatly desired.

Late years have found organization and cooperation a first essential in all undertakings. Without these, there is to my mind no legislation that can aid agriculture. The farm bill passed a few months ago can be made to accomplish results only through friendly administration and the organized effort of farmers through cooperative societies, and I am therefore keenly interested in the progress and growth of the Farmers' Union, an organization of farm people which I have watched grow by leaps and bounds in more recent years. It has grown because of a greater appreciation of the common ills under which agriculture labors, because of necessity, and because of energetic, able leadership. The Farmers' Union is not new but until very late years, it has not been that force which it is to-day. Now, it is winning thousands of new members annually. Its progress has been notable. In its progress, it perhaps has erred here and there, just as a fast-growing boy may sometimes experience difficulty in finding himself and consequently invite criticism, but when an organization properly treats criticism and inventories the occasion for such criticism, it profits and grows the stronger just as the union must grow.

Legislative victories are a measuring stick of organized agricultural success. These victories have been many. The mere winning, finally, of recognition of the true existence of a farm problem is alone an all but decisive victory. In the winning of these the Farmers' Union and its leaders have played no small part. Indeed, they have played leading parts, and the organization has demonstrated its merit.

But I am not getting to the duty assigned me by President Huff, of the Farmers' Union, and the request to talk on "The tariff and its relation to agriculture." I can but hit upon a few high spots in the limited time allotted me.

Last fall organized agriculture won from both national parties pledges of farm relief and tariff revision in the interests of agriculture. Following the election, Congress was called in special session to fulfill party pledges. The House tariff committee sat down and wrote an agricultural tariff schedule which gave new advantage to agriculture. This constituted an effort to give agriculture as full a measure of economic equality and balance with industry as could be afforded through a tariff. Then that same committee proceeded to destroy whatever balance it had thus restored by writing increased tariff schedules for industries.

The House passed the bill and sent it to the Senate, whereupon the Senate tariff committee went to work amending it. It failed to undo, in whole, what the House had done in making still greater the tariff odds against the farmer. The bill reported to the Senate in September did not appeal to agriculture and to its friends in the Senate as a fulfillment of the tariff pledge which had been given. The committee bill was not surprising, however, in face of the fact that both the House and Senate tariff committees were dominated by representatives of purely industrial States. It is interesting to note that the great area of our country including Washington, Oregon, Idaho, Montana, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, and Wisconsin were without a single representative on the Senate committee of 19 members, whereas such New England and Eastern States as Vermont, New Hampshire, Connecticut, Massachusetts, Pennsylvania, and New Jersey were each represented by membership. Is it any wonder that such a committee would be blind to the interests of the great agricultural States of the Central West and Northwest?

However, the Senate itself was not so constituted as to be ready to swallow this mess of pottage. A coalition formed in opposition to the committee bill. The majority of the Democrats combined forces with the Senators from the northwestern agricultural States. It was at once dubbed an unholy alliance, one that could not last. But the facts are

that the coalition is getting results for agriculture. That this is true is attested not alone by the daily record of accomplishment in connection with amendments to the tariff bill but as well by the expressions of those easterners who, for the first time, find themselves deprived of the favor of writing a tariff bill in their own language. They sat here all summer writing the Hawley-Smoot bill. They spent the summer decorating the Christmas tree, expecting Santa Claus to come; but when the Senate convened Santa failed to put in an appearance, and, of course, bitterness has followed. These easterners, with spirits mortally wounded, have resorted to calling western Senators factionalists, demagogues, undesirables more dangerous than communists, and even jackasses.

Tariff bills have always had first in mind the interests of the great manufacturing industries of the country. Each tariff bill has been in the nature of a banquet for these industries. It has been something in the nature of a program of "slopping the hogs," and now when the industrial hogs are not permitted all that they have asked and all that they wanted, how they do squeal! Grundy, of the Pennsylvania Manufacturers' Association, complains bitterly that it is unfortunate that the Constitution grants to all the States equal representation in the Senate, and that these western Senators from what he calls backward States ought to sit back and be quiet when a tariff bill is being framed. In his selfish, bent mind, what is the Constitution when it stands between him and his objectives?

We were called in session to lend tariff aid to agriculture and to such limited manufacturers as were in need of emergency tariff legislation. Did industry need any material added protection? In limited cases it did, but, in a general way, it makes no showing of need for anything further than it already has.

Statistics disclose that very nearly 97 per cent of the American market for manufactured products is supplied by American manufacturers. The tariff has served as a wall, virtually prohibiting the importation of any manufactured product. In six years, American manufactured exports have increased 32 per cent, while agricultural exports were holding their own. In 1913 our exports were about \$2,500,000,000 while Great Britain's were about the same. In 1927, however, we find that our exports had gone well over the \$4,500,000,000 mark while Great Britain's were only a bit in excess of three billion. Would this indicate that American manufacturers were in desperate need of more tariff help? But here they are, asking for still more. They are not going to get it.

In 1912 the national income was \$30,000,000,000. In 1928 it was \$90,000,000,000. Every bit of this gain was enjoyed by manufacturers and not by agriculture. From 1926 to 1928 American imports fell off 9 per cent and our exports increased 16 per cent. This trend is constant, and to my mind constitutes a fair test of the need for added protection to industry.

Some of the appeals for further protection to manufactured products have been humorous. I can take the time now to recite but one item; namely, that of escalators. Escalators are moving stairways. Manufacturers wanted a duty on them. It struck me as rather strange that an argument was not made in support of such a duty on the ground of the degree in which such a duty would afford agricultural relief. They might have suggested that with a duty on escalators, escalators could be produced in greater quantities and sold for less money thus enabling the farmer to buy them and have convenience in getting on top of his haystack, convenience in getting up into the hayloft, and convenience, with the day's work over, in getting from his supper table to his bed without having to climb the stairs. There have been literally hundreds of items included in the tariff bill in behalf of manufacturers which had not the remotest relation to agriculture and not the slightest justification or foundation for increased tariff protection.

There are many opinions regarding the extent to which agriculture can be helped through tariff revision. It is pointed out that, whereas manufacturers are supplying 97 per cent of our domestic consumption of manufactured products, American agriculture is supplying only about 85 per cent of our agricultural requirements, and that we can therefore do much through the tariff to win for agriculture a better deal. How readily can this be accomplished? Let us see.

Agricultural imports into this country in 1928 totaled something more than \$2,000,000,000. Here is a potential market, the argument goes, for over \$2,000,000,000 more of agricultural products of the American farmer. Wipe out this competition from abroad. That sounds fine, but at the best not as much can be accomplished through the tariff as this argument would indicate. While it is true that we have over \$2,000,000,000 worth of agricultural imports, considerably more than half of this two billion total is made up by imports of silk, chocolate and cocoa, coffee, bananas, nuts, tea, tobacco, rubber, etc., products which can not be produced in our country. Consequently that market is not available to the American farmer.

Taken from another standpoint, of the total value of approximately \$12,000,000,000 of agricultural products produced in the United States about \$7,000,000,000 of the total is represented by some items like wheat, upon which the effectiveness of a tariff is questionable because of our production of exportable surpluses. The successful administration of the farm bill passed by Congress last summer may in a degree alter this situation and enable the farmers through their cooperative

enterprises to make tariffs effective. But at this stage one must admit the futility of tariff protection upon such items.

At the best there is far less help possible in the tariff for agriculture than many people seem to see. But there is chance, through the making of the present tariff bill as it is being made in the Senate, to legislate possibly a billion dollars into the pockets of the American farmers, and of that opportunity we are making the most in the Senate.

But no matter how successful we may be in writing such tariffs as will be effective for agriculture, every bit of advantage thus gained will be destroyed in a moment if we permit industry, through added tariff protection, to place increased tolls upon the consumers of the United States, including the farmers. Therein lies the real bone of contention in the present tariff controversy.

It is quite apparent now that in the Senate unlimited rates can be written in the bill for agriculture, but we must move and are moving cautiously lest we be asking for agricultural rates that can not be justified and rates that can not be effective. In other words, we must be careful that we ask for nothing more than we are ready to afford industry, fair and reasonable protection.

If industry can be held to its present level, then it is possible, through the pending tariff bill, to give perhaps as much as a billion dollars added revenue to American agriculture, or about \$200 per farm. If this increase can be added to through the making effective of rates upon such agricultural items as corn, wheat, cotton products, etc., then the gain through the tariff for agriculture will be material. But success in winning this added revenue depends quite exclusively upon the will of the American farmer to cooperate and work as a great unit. Only through such an intense program can agriculture make itself effectively felt, win the profits of tariff protection, and enjoy the growing interest and cooperation of those who are making the laws which have so much to do with our economic life in America.

I congratulate those of you who have affiliated yourselves with cooperative enterprise. I congratulate the Farmers' Union for the splendid part it has taken in this farm fight of more recent years, and I would express it as my greatest hope that if there be those listening in who are not now affiliated with any cooperative undertaking that they lose no time in acquainting themselves with the purposes and the principles of the Farmers Union and in becoming members thereof.

#### REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The VICE PRESIDENT. In order that there may be something pending before the Senate, the Secretary will state the first amendment in order.

The next amendment was, under the heading "Schedule 11. Wool and manufactures of," on page 169, line 7, after the words "Black Spanish," to insert "Kerry, Haslock," so as to read:

PAR. 1101. (a) Wools: Donskoi, Smyrna, Cordova, Valparaiso, Ecuadorian, Syrian, Aleppo, Georgian, Turkestan, Arabian, Bagdad, Persian, Sistan, East Indian, Thibetan, Chinese, Manchurian, Mongolian, Egyptian, Sudan, Cyprus, Sardinian, Pyrenean, Oporto, Iceland, Scotch Blackface, Black Spanish, Kerry, Haslock, and Welsh Mountain; similar wools without merino or English blood; all other wools of whatever blood or origin not finer than 40s; and hair of the camel; all the foregoing, in the grease or washed, 24 cents per pound of clean content.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

Mr. HEFLIN. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Frazier	Kendrick	Smith
Ashurst	George	Keyes	Smoot
Barkley	Gillett	La Follette	Steiwer
Bingham	Glass	McCulloch	Stephens
Blaine	Glenn	McNary	Swanson
Bleas	Goldsborough	Moses	Thomas, Idaho
Borah	Greene	Norbeck	Thomas, Okla.
Bratton	Hale	Norris	Townsend
Brock	Harris	Nye	Trammell
Broussard	Harrison	Oddie	Tydings
Capper	Hastings	Overman	Vandenberg
Caraway	Hatfield	Patterson	Wagner
Connally	Hawes	Pittman	Walcott
Copeland	Hayden	Ransdell	Walsh, Mass.
Couzens	Hebert	Robinson, Ind.	Walsh, Mont.
Cutting	Heflin	Sackett	Waterman
Dale	Howell	Schall	Wheeler
Dill	Johnson	Sheppard	
Fess	Jones	Shortridge	
Fletcher	Kean	Simmons	

The VICE PRESIDENT. Seventy-seven Senators having answered to their names, a quorum is present. The question is on the amendment of the committee, which will be stated.

The CHIEF CLERK. On page 169, paragraph 1101, line 7, after the words "Black Spanish," it is proposed to insert "Kerry, Haslock."

Mr. GEORGE. Mr. President, before we actually begin the consideration of the wool schedule, permit me to say that Schedule 10, "Flax, hemp, jute, and manufactures of," passed Tuesday evening and yesterday, I believe, is a schedule that should have more consideration than was given to it in the Senate.

When the schedule was reached, personally I felt unable to go into a consideration of it; and the Senate committee amendments to paragraphs 1001 and 1002, the raw materials, were very limited. In fact, there was only one Senate committee amendment. The amendments made by the House, of course, justified, on the theory of compensatory duties, certain other changes made in this schedule; and with the exception of two amendments, I believe, the amendments proposed by the Senate Finance Committee were accepted.

I do not wish to go into the matter at this time; but I do desire to call the attention of the Senate to it, because when the bill is open to individual amendments I shall take occasion to propose what is virtually a substitute for this entire schedule, for the reason that we produce in this country very little flax, hemp, jute, and the other hard fibers included in this schedule. That is to say, of course, we produce a little flax; we do not produce any jute; we do not produce ramie; we do not produce the other commodities. Therefore, the increases in this schedule are wholly unjustified. They must constitute a direct charge and tax upon the consumers of the country, because we have to bring them in. They are not produced, and never will be produced, in this country, with the possible exception of a little flax.

Mr. President, with reference to the amendments now before the Senate in the wool schedule, let me say to the Senator from Utah, in charge of the bill, that so far as I know, there is no controversy in regard to any of the amendments offered to paragraph 1101 by the Senate committee, unless there is something to which the Senator wishes to direct attention specifically.

Mr. SMOOT. There are a number of amendments to which I wish to call attention and ask that one be rejected with an amendment, and that the other be rejected entirely. I will call the attention of the Senate to it at this time, or when it is reached, if the Senator has no objection.

There is no objection to the amendment on line 7, "Kerry, Haslock." Those are simply the Scotch wools that have always come in here and have been used in carpets; and therefore they should be classified in this schedule.

Mr. GEORGE. I think the Senator is quite right about it. The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 169, line 11, after the word "scoured," to strike out "24 cents" and insert "27 cents," and in line 12, after the word "pound," to insert "of clean content," so as to read:

Scoured, 27 cents per pound of clean content.

The amendment was agreed to.

The next amendment was, on page 169, line 12, after the word "skin," to strike out "23 cents" and insert "22 cents," so as to read:

On the skin, 22 cents per pound of clean content.

The amendment was agreed to.

The next amendment was, on the same page, in line 13, after the word "content," to insert "of all the wool."

Mr. SMOOT. Mr. President, I ask that that amendment be rejected. That affects the skins, and imposes a duty not only upon the wool in the skin, but also upon the skin itself; and that is not fair.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The next amendment was, on page 169, line 14, after the word "matchings," to strike out "26" and insert "if not scoured, 25," so as to read:

Sorted, or matchings, if not scoured, 25 cents per pound of clean content.

The amendment was agreed to.

The next amendment was, on page 169, line 15, after the word "That," to strike out "a tolerance of not more than 10 per cent of wools not finer than 44s may be allowed in each bale or package of wools imported as not finer than 40s: Pro-



vided further, That"; in line 21, after the word "within," to strike out "four years" and insert "three years"; in line 24, after the word "yarns," to strike out "to be used" and insert "suitable only for use"; and on page 170, line 1, to strike out "or in the manufacture of knit or felt boots or heavy fulled lumbermen's socks," so as to make the proviso read:

*Provided, That all the foregoing may be imported under bond in an amount to be fixed by the Secretary of the Treasury and under such regulations as he shall prescribe; and if within three years from the date of importation or withdrawal from bonded warehouse satisfactory proof is furnished that the wools or hair have been used in the manufacture of yarns suitable only for use in the manufacture of rugs, carpets, or any other floor covering, the duties shall be remitted or refunded.*

Mr. SMOOT. Mr. President, the wording in line 24 can be construed in two ways. In order that it may reach just exactly what it ought to reach, I move to strike out, on line 24, the words "suitable only for use" and insert "which have been used," so that there will not be any question about it. Then it will read, "The manufacture of yarns which have been used in the manufacture of rugs," and there will not be any question about it.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 170, line 6, after the word "coverings," to strike out "or knit or felt boots or heavy fulled lumbermen's socks," so as to make the further proviso read:

*And provided further, That if any such wools or hair imported under bond as above prescribed are used in the manufacture of articles other than rugs, carpets, or any other floor coverings, there shall be levied, collected, and paid on any such wools or hair so used in violation of the bond, in addition to the regular duties provided by this paragraph, 50 cents per pound, which shall not be remitted or refunded on exportation of the articles or for any other reason.*

The amendment was agreed to.

The next amendment was, on page 170, line 19, after the word "the," to strike out "skin" and insert "skin, and all wool and hair with a higher clean yield than 77 per cent shall be considered as washed," so as to read:

(2) Washed wools and hair shall be considered such as have been washed, with water only, on the animal's back or on the skin, and all wool and hair with a higher clean yield than 77 per cent shall be considered as washed.

Mr. SMOOT. I offer an amendment to that amendment, after the word "hair," to insert "not scoured," so that it will read:

Skin, and all wool and hair not scoured with a higher clean yield than 77 per cent shall be considered as washed.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 170, line 23, after the word "cleansed," to insert "(not including shaking, willowing, bur picking, or carbonizing)," so as to read:

(3) Scoured wools and hair shall be considered such as have been otherwise cleansed (not including shaking, willowing, bur picking, or carbonizing).

The amendment was agreed to.

The next amendment was, on page 171, line 2, after the word "hair," to insert "(other than skirtings)," and in line 4, after the word "that," to strike out "fleeces classed or skirted, or both," and insert "skirted fleeces," so as to read:

(4) Sorted wools or hair, or matchings, shall be wools and hair (other than skirtings) wherein the identity of individual fleeces has been destroyed, except that skirted fleeces shall not be considered sorted wools or hair, or matchings, unless the backs have been removed; and

Mr. GEORGE. Mr. President, I should like to ask the Senator from Utah if the amendment on line 2 has any effect upon the rates?

Mr. SMOOT. Mr. President, the skirtings are the inferior parts of the fleece, many times in the shape of taglocks, particularly where the sheep are corralled, and sometimes burrs. Those are the skirtings that must be taken off every fleece.

Mr. GEORGE. Yes; I understand. I have no objection to the first amendment. I presume the amendment in line 4 is a mere change in phraseology?

Mr. SMOOT. Yes; that is the same thing. It is merely a simplification of the language.

The amendment was agreed to.

The next amendment was, on page 171, after line 10, to strike out:

PAR. 1102. (a) Wools, not specially provided for, not finer than 44s, in the grease or washed, 24 cents per pound of clean content; scoured, 24 cents per pound; on the skin, 23 cents per pound of clean content; sorted, or matchings, 26 cents per pound of clean content; *Provided, That a tolerance of not more than 10 per cent of wools not finer than 46s may be allowed in each bale or package of wools imported as not finer than 44s.*

The amendment was agreed to.

The next amendment was, on page 171, line 19, before the word "Wools," to strike out "(b)" and insert "Par. 1102," and in line 21, after the word "washed," to strike out "34 cents" and insert "31 cents," so as to read:

PAR. 1102. Wools, not specially provided for, and hair of the Angora goat, Cashmere goat, alpaca, and other like animals, in the grease or washed, 31 cents per pound of clean content.

Mr. GEORGE. Now, Mr. President, we have reached, of course, the controversial stage in this schedule.

Mr. SMOOT. Yes; this is the first controverted matter.

Mr. GEORGE. This is the first material change proposed.

The House increased the duty from 31 cents per pound to 34 cents. The Senate Finance Committee proposes to restore the present rate of 31 cents per pound. The amendment proposed in paragraph 1102 and the amendment proposed in paragraph 1105 on top waste, and so forth, including rags, raise the two material questions in this schedule which probably we will be able to dispose of before adjournment on Friday evening. The position I shall take is that the Senate committee amendment should be adhered to in paragraph 1102—that is, that a duty of 31 cents per pound, rather than the House proposal of 34 cents per pound, should be adopted by the Senate.

Mr. STEIWER. Mr. President, I have no desire to detain the Senate for a long discussion of this matter, but it is so important to a great industry that I want to say just a word.

The amendment proposed, and indeed the House rate, is upon the clean content of wool. Normally and for approximate purposes it may be said that 3 pounds of grease wool make 1 pound of clean content. The old rate applicable to the basic wool produced in this country in the bills enacted in 1880, 1897, and I believe in 1909, was 11 cents, as I think all Senators know.

When changing the system from a tariff upon grease wool on a basis of 11 cents to a tariff on clean content in 1922 the rate of 31 cents on clean content was established.

It will be readily seen that if the ratio between grease wool and clean content is correctly assumed as 3 to 1, the 1922 rate represented about a 6 per cent decrease in the protection which this commodity had received for over a quarter of a century. The rate equivalent to the old rate would have been 33 cents.

In the consideration of the pending tariff bill the House raised the 1922 rate of 31 cents to 34 cents, which is but a slight increase over the old, historic, and established rate.

As I regard the matter, the difference between 31 cents and 34 cents might not be so great so far as the woolgrowers of this country are concerned if the question were not intertwined with the parliamentary situation. If we should go back, as the committee has suggested, to the 31-cent rate, the whole question would be thrown into conference. I am not enough of a prophet to suggest to the Senate when the item might finally be adjusted. I know that if we take the House rate, 34 cents, we take this item out of conference, and that we thus settle the matter so far as this bill is concerned.

I am not going to outline to the Senate the condition of the wool producers of this country. Those Senators who have read the hearings know something about it. I will say in just a sentence that their condition now is a very serious one. They received last year something like 10 cents per pound less for the fine wools than they had received for such wools during the years immediately preceding. The price of sheep is depressed from \$2 to \$3 per head, and the prospect is for a further lowering in price.

If we throw this item into conference, Heaven only can foretell what the wool price for the 1930 clip may be. Within 30 or 60 days the first efforts will be made by contract to buy up the 1930 clip, and the greatest service we can render to the woolgrowers, the farmers who produce sheep, those who grow wool upon the western ranges, the woolgrowers everywhere, is to restore the House rate, and thus take this item out of conference.

The increase is not a substantial one; it is not a material departure from long-established precedent. It is thoroughly in keeping with the evidence adduced both before the House and the Senate committees. I understand it has the support of the

experts of the Tariff Commission, and I sincerely hope the Senate will reject the amendment proposed by the committee and restore the House rate of 34 cents.

Some reference was made by the Senator from Georgia to other controverted questions, and I may want to be heard later upon those questions, but I prefer—and I think it is better for all of us—to take the questions up one at a time.

Addressing myself, therefore, merely to the precise question before the Senate at this moment, I want to conclude. I think the Senator from Idaho [Mr. THOMAS] has a telegram from the Wool Growers' Association. I will ask the Senator whether he intends to read that wire.

Mr. THOMAS of Idaho. I will read it later.

Mr. STEIWER. If the Senator from Idaho will have that read, that will suffice. That is all I have to say at this time.

Mr. THOMAS of Idaho. Mr. President, it is not my purpose to enter into a prolonged discussion of this wool tariff, but I do want to call attention to the seriousness of the situation.

It will be remembered that at the close of the war there was enacted an emergency tariff upon wool. Since that time, after the situation was cleaned up, the foreign markets have been fairly strong until the last couple of years, and now, this year, Australia comes into production with a crop never before exceeded, nearly 900,000,000 pounds. I am told by the wool trade that they have taken 25 per cent of their clip off of the market; yet the wool market is in a demoralized condition.

The price of wool now compared with the price a year ago is about 15 cents a pound less in the grease. Just a few days ago some citizens of Wyoming who had wool stored in Boston sold a million pounds of the wool at a fraction over 27 cents a pound. They would have gotten something like 40 cents a pound for the same wool a year ago.

Unless we can stabilize this market, the woolgrowing industry of this country is going to be in a very serious condition. That is the object of trying to get the Senate to agree at this time to the 34 cents a pound.

I have a telegram here from the National Woolgrowers' Association, who met in session at San Angelo, Tex., to-day, and I ask that the telegram be read from the desk.

The VICE PRESIDENT. Is there objection?

There being no objection, the telegram was read, as follows:

SAN ANGELO, TEX., November 19, 1929.

Hon. JOHN THOMAS,

Senate Office Building, Washington, D. C.:

The following resolution passed to-day by executive committee of National Woolgrowers' Association, and also will be presented to convention which opens to-morrow:

#### "THE WOOL TARIFF"

"On the showing made before the Ways and Means Committee the growers were given 34 cents, or a 9% per cent increase in the present basic wool rate. The Senate Finance Committee did not concur in this increase.

"Based on the political platforms of both parties, which reflect the policy of this country, the action of the Senate Finance Committee came as a great surprise to the producer for the following reasons:

"First. The 34-cent per pound clean content rate written by the House committee was not a proper measure of protection to the wool-grower. A rate of 40 cents per clean pound was indicated by the growers' testimony and the facts submitted to the committee. In the face of sworn testimony before the Finance Committee, to which there was no rebuttal, the House rate of 34 cents was reduced to 31 cents.

"Second. The 1922 rate of 31 cents allowed by the Finance Committee is in fact, as far as the consumer is concerned, a 6 per cent lower rate on wool than he paid in 1890 to 1913. The House rate of 34 cents per pound of clean wool content would be only 3½ per cent increase over every protective rate during 23 years of protection. From 1890 to 1913 the consumer paid 33 cents per scoured pound, via the compensatory tariff allowed the manufacturer, because of the grease duty allowed the grower therefor.

"Third. Measured by the test of audited accounts the grower has not averaged prosperity since 1922, active propaganda and belief to the contrary notwithstanding.

"Since 1913 the grower has had an increase in operating costs of over 100 per cent, much more in comparative percentage cost than was the 1922 tariff percentage increase through the change to the clean content duty of 31 cents.

"Whatever the tariff may be the grower suffers an adverse differential of from 6 to 12 cents per clean pound, owing to the superior packing and quality of foreign imports prepared to the American markets. Yet the cost of production of home-grown competing wools is based on their quality as is and necessarily the protection derived from tariff is higher or lower according to the grade and quality of wool under review.

"It has been only by the exercise of the utmost sacrifice, economy, and efficiency that the grower has paid his interest on war debts and made ends meet since 1922.

"At the present time, owing to both natural and artificial causes, woolgrowing in the United States is in actual need of increased protection.

"Fourth. Although imports of wool itself have not increased, the grower has suffered from increasingly large imports of rags, shoddy, and wastes. Over 36,000,000 pounds of these materials were imported in 1928, thus displacing the use of over 100,000,000 pounds of domestic virgin wools. The short wools of Texas and California and the clothing wools of all other States have been hurt by this competition. These rag and waste imports of less than 400,000 pounds annual average from 1890 to 1913.

"These imported competitive soft rags and wastes pay on an average about 13 cents duty per pound and are used wherever possible to substitute for virgin wool. The consumer derives but small benefit because of the compensatory duties allowed on resultant manufactured goods.

"Therefore the rates on shoddy, rags, and other competitive wastes manifestly should be on the same comparative protective basis as the duty on wool itself.

"In view of the foregoing facts and the platform pledges of both political parties we, the woolgrowers of the United States, in official annual national convention assembled at San Angelo, Tex., on the 20th to 22d of November, 1929, do most earnestly urge that Congress place a tariff of 37 cents on all imports of wool and mohair together with such adequate tariffs on wastes and rags as will not nullify such basic rates on wool and mohair as Congress may enact."

NATIONAL WOOLGROWERS' ASSOCIATION,  
F. R. MARSHALL, Secretary.

Mr. THOMAS of Idaho. Mr. President, I might say further that the wool market, from the average price paid the wool-grower in Boston in 1928 on October 4, was 25.6 cents a pound, cleaned, less than the 1928 price for fine staple wool. Half-blood wool was 21 cents a pound less, and ¾-blood 14 cents a pound less.

It can be readily seen that if the woolgrower must continue to take that price he is going to be in a serious condition and put out of business in this country.

There has been some increase during the time the Fordney-McCumber Act has been on the statute books in the number of sheep in the country, but the increase has been on the farm. Wool is purely an agricultural product, and it is about the only agricultural product I know of the tariff on which was cut by the Senate Finance Committee in the pending bill. They reduced it from 34 to 31 cents.

These prices we are talking about are on the clean content.

Mr. GEORGE. Mr. President, let me remind the Senator that the rate on a purely agricultural product was cut from the increase suggested by the House, and I think the Senator voted to sustain the cut. I refer to wrapper tobacco.

Mr. THOMAS of Idaho. I beg the Senator's pardon, if that item is in the bill.

Mr. GEORGE. Yes; it is in the bill, and I think the Senator voted for the Senate committee amendment cutting the rate.

However, be that as it may, the woolgrowing industry is in distress. It is a matter that can be relieved by the tariff. A tariff really is effective on this agricultural product. Inasmuch as the Congress was called in extraordinary session for the purpose of giving relief to agriculture, it seems to me that we would be doing but a small thing if we should grant the request of the Senators from the woolgrowing States for a 3-cent increase in the tariff on wool, restoring the House rate to 34 cents a pound.

Mr. FESS. Mr. President, I have not occupied very much time in the discussion of any of the items in the tariff bill, but this is one item that appeals to me as a basis for a sound protective argument. In the first place, we ought to be able to come somewhere near producing the wool that we need. We have not done it and probably we will not do it. However, there is no reason why it can not be done. Under proper stimulation it would seem not only desirable but clearly possible for the United States to produce this product in some quantity somewhere near the needs of our consumption. It would increase the meat value of the country. That is bound to be an increasingly important item of food product. It would also increase the clothing value or the raw material out of which clothing is to be made, and for that reason it is of importance. Here is a double element of importance, including both food and clothing.

Then, on the other hand, every farm in the country would be bettered if it had a small flock of sheep upon it. It is not an article that would have to be confined simply to grazing land, because a flock of sheep on the best or highest price farm in the country would be a benefit to the land rather than a detriment, and not difficult either to handle. It seems to me of all the items in the bill, from the standpoint of encouraging a production that is necessary, we should increase this rate. It is one of the most obvious, and for that reason it seems to me we ought not to hesitate to grant any reasonable increase of duty.



Mr. CONNALLY. Mr. President, I hope the Senate will not agree to the committee amendment. I do not want to consume much of the time of the Senate, but I want to read a few lines from the Summary of Tariff Information, compiled by the Tariff Commission, relating to competitive conditions:

Australia and New Zealand, Argentina, Chile, Uruguay, and South Africa are the regions which produce nearly all the competitive wools. In these countries there is a smaller investment in land per head of sheep, smaller investment in equipment per head of sheep, lower labor charges, and virtually no expense for feedstuffs except in times of drought. These countries, therefore, have a strong competitive advantage. This is enhanced by a higher clean yield of the fleeces produced in these countries.

As pointed out by the Senator from Idaho [Mr. THOMAS], the foreign producer of wool has a large advantage over the American producer because his wool yields a larger clean content, and the clean content is the basis of this particular rate. There is no doubt that just at present the wool industry is not nearly so prosperous as it has been in the recent past.

As was pointed out by the Senator from Ohio [Mr. FESS], if every farm in the country had on it some sheep it would appreciably solve the farm-relief question. There are a great many marginal lands throughout the United States upon which people are trying to farm that would be more productive if they were converted into sheep ranches. It is an industry that can be encouraged by the particular rate which the House has fixed. As I understand it, the other rates in the schedule were fixed by the House on the basis of 34 cents, and the Senate Finance Committee has not changed the other rates. I hope the Senate will disagree to the Senate committee amendment and leave the House rate of 34 cents.

Mr. HAYDEN. Mr. President, in the telegram from the National Woolgrowers' Association, which was read at the desk at the request of the Senator from Idaho [Mr. THOMAS], the statement was made that the foreign producers of wool gain an additional advantage by so trimming the fleeces of wool imported into this country that the American tariff is not fully effective. One of my colleagues has asked me what was meant by that statement; but I am not in the woolgrowing business and I do not know just how to explain it. I shall be obliged if the Senator from Idaho [Mr. THOMAS] or the Senator from Utah [Mr. SMOOT], who are more familiar with the subject, will explain to the Senate just how the foreign wool producers take advantage of the American wool producer in that manner.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Utah?

Mr. HAYDEN. I yield.

Mr. SMOOT. Before Australian wool is shipped into the United States it is skirted. In other words, when sheep range upon the mountain or elsewhere they gather dirt of various kinds that sometimes adds as much as 2 pounds to the weight of the fleece. When our wool here is sold those skirtings are sold as a part of the complete fleece. When wool is shipped in from Australia, before it is baled all of those skirtings are taken off. That makes a great difference between the wool in its natural form as it is sheared from the sheep and the wool that has been skirted. All of the imported wools have the skirtings removed, while the local wools go to the market as they come from the shearing pens in the United States.

Mr. HAYDEN. Is that an explanation for the fact that the American price for wool is usually not so very much higher than the foreign price for wool? In other words, so far as I have been able to look into the wool schedule, the American woolgrower has never obtained the full benefit of the protective duty.

Mr. SMOOT. Perhaps I can explain it better to the Senator in this way. In the fine wool grown on our mountains and in our valleys in the West the shrinkage will run all the way from 60 per cent up to sometimes as high as 77½ per cent, depending on the class of the wool. When that same identical class of wool is shipped here from Australia, instead of shrinking 66½ to 77½ per cent, more than likely it will shrink only 47 to 50 per cent. In other words, after skirted the wool and leaving just the better part of the wool that they want to sell here, all of the waste matter and grease that is in it and the taglocks are taken off, and, of course, the remaining wool will bring a higher price. It is not because the fiber of the wool is any better. It is because the shrinkage is actually less.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Maryland?

Mr. HAYDEN. I yield.

Mr. TYDINGS. I did not understand the question thoroughly, but I am wondering why our woolgrowers do not skirt their wool as the Australian woolgrowers do.

Mr. SMOOT. Our wool is shipped right from the corral, where it is sheared. They have no skirting tables. They would not be justified in having them on account of the price. That would not make any difference to us. If the foreigners do not take the taglocks off, they would have to pay this duty on the taglocks. Every piece of dirt that can be taken off and every taglock on the fleece that can be taken off is removed, because if they did not take it off in Australia, then the duty would apply upon the dirt and taglocks.

Mr. HAYDEN. If I may explain to the Senator from Maryland, the way I understand the situation is that there is no import duty on wool produced in Australia when the same is taken to England. The Australians, therefore, skirt the fleece and remove the low-grade dirty wool from it. The cleaner and better grade part of the wool is exported to the United States, where an import duty has to be paid. They then take the skirtings and send them to England to be manufactured, where there is no tariff to be paid. The American woolgrower produces the complete fleece and he could not afford to throw away the skirtings. All the fleece has to go to market.

I have taken occasion at various times to check the price of wool in Boston and in London, and almost invariably it will be found that while the American price is higher than the English price, it is not as much higher as the tariff rate.

Mr. SMOOT. That happens in many cases with many articles. It happens sometimes on account of the demand for wool. Sometimes there is a demand in England greater than in America. Sometimes the American price is higher. Although London is the market headquarters of the world, the difference in value is often noticeable because some particular grade of wool meets the demand of the class of goods that is being made in some particular country, and another country not making that same class of goods, the price in one place will be higher than the price in the other. These irregularities in price depend upon the demand that is created in the class of goods that may be manufactured.

Mr. GEORGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Georgia?

Mr. HAYDEN. I yield.

Mr. GEORGE. I wish to get very clearly in mind the difference in price involved in the question asked by the Senator from Maryland. Is it true that the American manufacturer of wool does not have to pay any higher price for the raw material than the foreign manufacturer?

Mr. HAYDEN. There have been instances when the American price for wool and the English price for wool were very close together, notwithstanding there was a protective tariff in effect in this country. I am sure that on the average the American producer of wool does not actually secure the full benefit of the tariff year in and year out.

Mr. GEORGE. I think it is estimated that he gets about 17½ or 18 per cent; that that is the effectiveness of the tariff. Mr. HAYDEN. That is the point I wanted to make. If the tariff is only effective to the extent of 17 or 18 per cent—

Mr. GEORGE. I think that is the way it is figured.

Mr. HAYDEN. If that is the case, it seems to me we should not quarrel about whether the rate should be 31 cents or 34 cents, because it does not mean that the market price of wool is necessarily going to be 3 cents higher because the import duty is raised 3 cents.

Mr. GEORGE. What I wish to get from the Senator is that if the foreign manufacturer did not have to pay any more for his raw material, any increase here would not necessitate a compensatory duty.

Mr. HAYDEN. Speaking of compensatory duties, my understanding is that all of the compensatory duties now contained in the bill as it passed the House are based upon a 34-cent rate on raw wool; and that while the Finance Committee has cut the rate to 31 cents, there has not been a corresponding reduction in each and every one of the import duties on manufactures of wool throughout the schedule.

Mr. SMOOT. Of course, the Senator should qualify his statement by saying that the woolgrower sends the wool to the wool merchant—not to the manufacturer but to the wool merchant—or the woolgrower consigns his wool to a wool commission merchant, and taking into account all of the commissions and the interest paid while holding the wool and the difference between the market price in London and here, the Senator is about right. But there are those different conditions, and I think

the Tariff Commission figures that they represent about 17½ per cent.

The items I have spoken of, of course, must be deducted from that amount of 31 cents, because when the wool purchased at London comes into the market we have got to pay the freight and all other expenses attached thereto. That makes the difference as to the actual duty which the woolgrower receives.

Mr. WALSH of Montana. Mr. President—

Mr. HAYDEN. I yield to the Senator from Montana.

Mr. WALSH of Montana. I think, perhaps, the Senator from Arizona misspoke himself in quoting the Senator from Georgia as saying that the wool duty is effective to the extent of about 17 per cent. The Senator from Georgia must have meant that the 31-cent duty is effective only to about the extent of 17 cents.

Mr. GEORGE. From 17½ cents to 18 cents.

Mr. WALSH of Montana. So that although there is a nominal duty of 31 cents on the clean content, it is effective only to the extent of about 17½ cents; in other words, the duty is only about 50 per cent effective. That situation is very clearly disclosed to the Montana producer, because the difference between the Montana price and the Alberta or Saskatchewan price is usually about 6 or 7 cents a pound. In other words, to the Montana producer, notwithstanding the 31-cent tariff on the clean content, the duty represents only about 11 cents on the ordinary clip, which, as the Senator from Utah says, produces of clean content only about one-third of what the clip itself weighs, two-thirds of it being dirt, which is removed by the scouring process. So the 31-cent rate is a rate of about 11 cents upon the grease-wool pound. The woolgrowers of Montana get about 6 cents a pound more for their clip than is obtained by the woolgrowers of Alberta and Saskatchewan, demonstrating by actual facts what has been stated by the Senator from Georgia, that the 31-cent rate is effective only to the extent of about 50 per cent.

Mr. HAYDEN. That is, if the rate is raised by adopting the House provision to make the import duty on wool 34 cents instead of 31 cents, the effective increase would be about 1½ cents per pound.

Mr. WALSH of Montana. No; the effective rate would be less than one-half of 1 cent a pound. A rate of 31 cents on the clean content means a rate of about 11 cents per grease pound. A rate of 34 cents would increase it only 3 cents on the clean content, which would be an increase of 1 cent per grease pound; and, inasmuch as the tariff is effective only to the extent of 50 per cent, it would mean an increase in the price of a pound of wool of just one-half a cent a pound. That is what this quarrel is about—a question of half a cent a pound to the grower of wool.

Mr. HAYDEN. So far as I am concerned, I am willing to give the American woolgrower the advantage of that one-half cent per pound net benefit on the price of his wool clip under this bill.

Mr. CONNALLY. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Texas?

Mr. HAYDEN. I yield.

Mr. CONNALLY. Bearing out what the Senator from Montana has said, as well as what the Senator from Arizona has said, I quote from the Tariff Commission report, which shows that for the year 1926 wool sold in Boston for \$1.15, whereas the same character of English wool sold for \$1.02, a difference of 13 cents; in 1927 wool sold in Boston for \$1.10 and the British wool sold for \$1, there being a variation of 10 cents; and in 1928, for the nine months reported, American wool in Boston sold for \$1.17, while British wool sold for \$1.04. So the price varied from 10 to 13 cents, according to actual figures as to American and British wool.

Mr. WALSH of Massachusetts obtained the floor.

Mr. GEORGE. Mr. President, will the Senator yield for just a moment?

Mr. WALSH of Massachusetts. I yield.

Mr. GEORGE. If the Senator from Arizona understood me to say or if I said, 17½ per cent, I meant 17½ cents. That is the effectiveness of the duty, according to the Tariff Commission. I believe that the woolgrowers, or some of them, estimate it as being a little higher.

Mr. WALSH of Massachusetts. Mr. President, I intend to discuss this question from various angles, but before I begin the discussion I wish to clear up the matter which is now in controversy. I should like to have any Senator on this floor dispute, if he can, the fact that at times the duties levied upon wool, as on any other article in the tariff bill, are not fully effective. When we talk about the effectiveness of this duty being 17½ cents we mean its effectiveness over a long period of time, for sometimes it is effective at 25 cents, sometimes for the full duty levied, and sometimes lower than 17 cents.

Is there any doubt about that? We are concerned here with increasing the duty upon wool because of which at some periods—at times when it ought not to be effective, particularly in times of shortage and high prices—the last dollar is extorted.

Mr. President, I intend to discuss the tariff duties on wool, first, from the political standpoint; second, from the economic standpoint; and I intend also to discuss it from the standpoint of the three interests involved in the levying of tariff duties upon wool; first, the woolgrower; next the manufacturers of wool; and, third, and most important of all, the 120,000,000 consumers of wool in the United States when wool is converted into wearing apparel. I intend also to discuss the pending amendment, reported by the Senate Finance Committee reducing the rate upon the clean content of wool, proposed by the House from 34 cents to 31 cents, and I intend at the same time, because we can not separate them, to discuss an amendment that will be before us shortly, in paragraph 1105, proposing to increase the duty upon wool rags and by-products of wool 200 per cent—namely, from 8 cents a pound to 24 cents a pound. I intend before I conclude to make plain to the Senate the effect that these increased duties will have upon the purse of the consumers, and particularly do I propose to point out their discriminatory, unfair, and unjust character.

Mr. President, this question has important political aspects. It was the wool schedule in the Payne-Aldrich bill which was so obnoxious that it caused the defeat of the Republican Party in two elections. It was in large part the wool schedule in the Fordney-McCumber bill of September, 1922, when wool was taken from the free list and a duty of 31 cents per pound of clean content levied upon it, that in the following election almost made the House of Representatives Democratic and caused the Senate to come within only 1 vote of becoming Democratic. I do not hesitate to say that the Republican majority in the Senate, if they vote to incorporate these increased rates, will do more to bring about their political Waterloo than anything else they can do in connection with the pending tariff bill. No human being with a spark of decency in his make-up will permit the poor to be robbed. We are dealing here with a direct purpose and intent to levy duties that will bear lightly upon the prosperous and the rich, but will amount to 200 per cent increase in the duty upon the raw material from which are made the clothes, the blankets, the underwear, the sweaters, and the socks of the poor of America.

At the outset I wish to review the history of the legislation upon this subject. Under the Underwood bill wool was free. In the Fordney-McCumber tariff bill a duty was levied upon raw wool of 31 cents per pound. Both the then Senator Lenroot, of Wisconsin, who opposed that duty, and the then Senator from New York, Mr. Wadsworth, upon this floor pointed out that that would do more to injure the Republican Party than anything else in the tariff bill of that year. The results of the ensuing election proved that to be true. Senator Lenroot pointed out that that duty was an increase of 58 per cent over the obnoxious wool duty in the Payne-Aldrich law of 1909, and the Tariff Commission admits that that duty was an increase of 50 per cent over the wool duty provided by the Payne-Aldrich law.

Mr. WALSH of Montana. Mr. President—

Mr. WALSH of Massachusetts. I yield.

Mr. WALSH of Montana. Woolen goods are manufactured extensively in the State of Massachusetts, are they not?

Mr. WALSH of Massachusetts. Yes, sir.

Mr. WALSH of Montana. Was not the attack on the Payne-Aldrich bill directed rather against the duties upon manufactures of wool than upon the raw material?

Mr. WALSH of Massachusetts. I do not dispute that fact. I am not discussing now the manufactures of wool—I shall come to discuss that later—I am discussing raw wool and the increase of duty on raw wool in the law of 1922 compared with the duty on raw wool in the Payne-Aldrich bill.

Mr. WALSH of Montana. I was moved to direct the question to the Senator because he referred to the heavy duty upon wool blankets. There is a very heavy duty on wool blankets in this bill, which may be considered perhaps later, but just now I wanted to confine attention, if I could, to the duty on raw wool.

Mr. PITTMAN. Mr. President, may I ask the Senator a question?

Mr. WALSH of Massachusetts. I yield.

Mr. PITTMAN. How many pounds of wool would there be in a high-priced woolen suit such as the Senator has on?

Mr. WALSH of Massachusetts. About 4½ pounds of clean wool, I am informed.

Mr. PITTMAN. How much would there be in a cheap woolen suit?



Mr. WALSH of Massachusetts. The same weight, at least.  
Mr. PITTMAN. Would there be the same amount where it was half wool and half cotton?

Mr. WALSH of Massachusetts. Not where it was half wool and half cotton.

Mr. PITTMAN. About how many pounds would there be in that case?

Mr. WALSH of Massachusetts. I assume, of course, that there would be about 2½ pounds of clean wool.

Mr. PITTMAN. Then, I should like to inquire in the case of a suit of clothes costing from \$30 to \$150, how much of the total cost does the wool in the suit represent?

Mr. WALSH of Massachusetts. Now, I will ask that I be permitted to develop my argument, because both Senators' interruptions have been in reference to the reflected cost of this duty, which I propose to discuss at length later. I am now trying to review the history of the legislation with respect to the duties that were levied upon raw wool; and I have pointed out the fact that the duty levied in 1922, according to Senator Lenroot was 58 per cent in advance of the duty of the Payne-Aldrich bill on wool, and, according to the Tariff Commission, 50 per cent. I also desire to point out the fact that in the law of 1922 there was approximately no increase in the protective duties upon wool manufactures over the Payne-Aldrich law.

The purpose of this review is to lay the foundation for what has happened since. With a proposition here to further increase the duty upon raw wool and to increase the duty upon wool rags and wool by-products, I shall now discuss what was the effect on the woolgrowers, on the manufacturers, and on the consuming public of the heavy duties levied in 1922.

Let me say, in case any Senator is not familiar with the different branches of the wool industry, that there are two chief branches: The worsted industry, which makes high-priced cloths from virgin wool; the woolen industry, which makes cloths from wool and wool by-products which are revamped and converted into cheaper clothing. Of all wool manufacturers approximately 40 per cent are engaged in the woolen industry, and about 60 per cent are engaged in the worsted industry. The duty upon raw wool particularly affects the worsted industry; the duty upon wool rags and wool by-products particularly affects the woolen industry.

For the further information of Senators let me state that wool rags are discarded old woolen garments or clippings from the manufactured wool cloth. Wool by-products are the noils combed from the new wool and wastes from the processes of wool manufacture.

The present duty upon raw wool is so high that it practically works out to prohibit the use of all-wool clothing by the people of this country, except the rich. The woolen industry has grown up as a result of a public demand for cheaper woolen clothing—clothing that is comfortable, that is warm, that is neat in appearance, and that does not cost the excessive price that all-wool cloth and clothing command.

One of the popular-priced woolen suits made from woolen rags imported into this country costs about \$20. I think, to be accurate, the suit costing \$22.50 is the most popular suit all over the country. A comparable suit made from all wool would cost approximately \$35 and up. It is the practice of the clothing makers who buy their worsted and woolen goods from the manufacturers to set a price at which they will pay for cloth in order to make a suit to sell at a given popular price. This lower price has been kept down by the use of wool by-products that are largely imported into this country, and that are found in large quantities in the cold climates of Europe, where the people have been accustomed to wearing woolen clothing for a long period of time.

Now, Mr. President, I inquire, what effect has this duty of 31 cents levied in 1922 on raw wool had upon the woolgrowing industry?

It has been a distinct benefit to them. The industry has expanded. It has tended to increase the prosperity of the woolgrowers. The woolgrowers are the most prosperous of the so-called farming groups. I do not think anybody disputes that; and I do not begrudge them the blessings and benefits that have come to them as a result of this increased duty that was levied in the act of 1922; but before we take the step to increase further the wool duty I suggest that we inquire how this increased duty on wool has affected the manufacturers of wool and the consumers of wool.

Now we turn to a very gloomy picture.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JONES in the chair). Does the Senator from Massachusetts yield to the Senator from New York?

Mr. WALSH of Massachusetts. I would rather not be interrupted until I finish this part of the argument. If the interruption is in point, however, I shall be glad to yield.

Mr. COPELAND. I simply wanted to ask, in connection with the debate that is going on, whether the woolgrowers here could begin to supply the amount of wool needed if there were an exclusion of these rags and other things that we bring in from the other side?

Mr. WALSH of Massachusetts. They never have done so; but it is only fair to say that the tariff of 1922 did help to bring about a larger production than before. It is only fair to say that; but they are not able, and probably will not be for a generation or two, to supply the entire demand for the wool that our country needs. Some grades of imported wool are not produced here.

Mr. COPELAND. I think it was testified in the hearings that at the present rate of increase in the production of American wool it will take 10 years to supply the domestic demand.

Mr. WALSH of Massachusetts. I think that is one opinion.

Mr. President, I submit a table, the data of which are taken from the Bureau of the Census, comparing the conditions of the five divisions of the wool-manufacturing industry in 1927 with 1923. These figures show that there has been a decrease in the number of establishments, in the number of wage earners, in the amount of wages paid, and in the value of the products manufactured. What has happened in five years illustrates the fact that it is possible to go so high in levying tariff duties as to bring about a buyers' strike—a strike which means that the public refuses to pay the high prices, and turns to substitutes, and a strike which means that the manufacturers have to resort to inferior substitutes when the raw material, such as wool, reaches a price that lessens the public demand.

For the industry as a whole, the number of wage earners in five years has decreased 18 per cent. I will give the figures.

The number of wage earners, most of whom have been employed part time, has been reduced from 237,454 to 194,827. The amount of wages paid has decreased 20 per cent. The decrease in wages is approximately \$56,000,000 in five years. The value of the products made from wool has decreased in this period 21 per cent, or from \$1,312,719,242 to \$1,036,000,000—a reduction of about \$300,000,000.

Mr. President, it would be unfair for me to allege that the great depression in this business was due solely and alone to the increased duty upon raw wool. I do not present the figures for that purpose; but I do present them to the Senate for the purpose of trying to have Senators reflect upon whether or not the present duties have reached the peak; to consider seriously if, having in mind the consumers, the manufacturers of wool products, and the woolgrowers, and based upon an earnest effort to do justice by all, the facts do not show that the woolgrowers have been the sole beneficiaries of the present high duty, and, therefore, we ought to stop at the present rate, rather than go higher.

Now let us consider what effect these proposed increased duties will have upon the consumers. I am going to discuss first the result of the levying of this increased duty upon the public in the aggregate. I am going to assume that this increase of 3 cents per pound in the duty becomes effective. It certainly will be effective upon the imported wool; and some of these wools that are imported are not and can not be produced in this country, and, regardless of the duty levied, we will have to import a substantial percentage of certain grades of wool. I am going to take the number of pounds imported, the number of pounds produced in this country, and, adding this increase duty of 3 cents, get an estimate as to what extent this duty, if it does become effective, will reduce the income of the American people who must purchase the products of wool.

The number of pounds of wool consumed in this country and used by the wool industry is estimated at 240,000,000 pounds. The increase in duty of 3 cents per pound upon this amount of wool means a total increased cost of \$7,200,000.

Let me explain this more in detail.

The average annual imports of the clean content of wool in the past three years equal 80,000,000 pounds. The clean content of the domestic production of similar wool equals 160,000,000 pounds. Assuming that the duty is fully effective, the increase of 3 cents per pound would increase the cost of wool to the manufacturers \$7,200,000.

Who is going to pay this? The manufacturers? Certainly not. In fact, you yourselves in this bill propose to pass it on to the consumers by giving the manufacturers compensatory duties for this increase. You propose to pass it on. That is your intent and your purpose, and of course it is the public that finally will have to pay this duty. But the public will pay this duty

after it has passed through the channels of distribution. This is estimated to increase the original amount paid by the manufacturer three times. The public therefore will pay \$21,600,000.

Now let us turn to wool rags and find out the cost to the public of the proposed increased duty in the aggregate. We know the domestic production. We know the amount of imports. We know that the duty is now 7½ cents. It is proposed by the House to make it 8 cents. We know the Senate seeks to make it 24 cents. Let us see if we can find out, in the event that this duty becomes effective, what will be the aggregate cost to the public.

In 1927 the domestic woolen mills used approximately 80,000,000 pounds of wool rags, of which approximately 19,000,000 pounds were imported. An increase in the duty from 7½ to 24 cents per pound will increase the cost to the woolen manufacturers of imported rags \$3,135,000. When this is pyramided the public will pay \$9,405,000. This does not presuppose any price increase in domestic wool rags. If this is included it will reach about \$37,000,000 when paid by the public.

Therefore these duties, if they are levied and become effective—and nobody seriously thinks that they will not become effective in large part—mean that we are dealing with two duties here; that if the increases in the duties on raw wool and on wool rags are adopted, we will have taken the first step on the way to enabling the retail stores to take \$58,000,000 from the consumers of wool in this country.

I now submit some estimates upon the effect of these duties upon clothing. I had some figures prepared for me about the effect this duty upon wool rags particularly would have upon clothing. I do not hesitate to say that the increase in the duty from 31 to 34 cents upon virgin wool will not materially increase the price of all-wool suits, which the rich wear, which is the clothing of the prosperous. But let us see what effect this duty upon rags will have on the prices of clothing of the great middle and wage-earning classes.

It is estimated by manufacturers of men's clothing that the proposed duty on wool rags will result in increasing the price of a \$20 suit of clothes, if virgin wool is substituted, to \$30. Some go even higher. I am not accepting those figures, but if all virgin wool is substituted for wool by-products, it will be a tremendous increase.

Mr. SMOOT. It could not be so much of an increase.

Mr. WALSH of Massachusetts. In determining the cost to the individual, we can well appreciate the hardship these duties will bring to the people obliged to wear cheap clothes. The cost if the duty on rags becomes effective works out as follows: Three pounds of rags are required for 1 pound of cloth. Three times 16 cents, which represents the increased duty from the 8-cent rate, makes 48 cents for 1 pound of cloth. Three and a half yards of 16-ounce cloth are required to make a suit. That means \$1.68 for the woven cloth.

The profit estimated for weaving is 10 per cent, and 10 per cent of \$1.68 is 17 cents. The estimated profit to the garment maker is 10 per cent. That makes it \$2.04. Then it is estimated that the retailer makes 50 per cent profit, making the advance per suit because of the change in the duty on rags from 8 cents to 24 cents, about \$3.06. In an overcoat it would be even more, the weight of the overcoating being twice that of the suiting.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. SMOOT. If they used rags, they would have just exactly the same expense as if it were all wool. The difference in cost would not be a single penny, and all you can figure is the difference between the wool and the rags plus running it through a garnetted machine to make it into wool; that is all. It would be about 35 cents a suit.

Mr. WALSH of Massachusetts. So the Senator states here seriously, does he, that the increase in the duty on wool rags from 8 cents a pound to 24 cents a pound, namely, 200 per cent, would mean an increase of only 35 cents in the cost of a suit of clothes?

Mr. SMOOT. That is what I said. The Senator from Massachusetts starts out with a cost of \$3. That can not be the cost. It can not possibly be the cost. The suit of clothes the Senator has on weighs, I suppose, about 4½ pounds. Most of the cloth we wear here is 16-ounce cloth.

Mr. WALSH of Massachusetts. I am not considering the cost of manufacture. Of course, there would be slight difference in the cost of manufacturing wool rags or virgin wool into cloth. I am discussing the cost to the consumer of wool rags, which now averages 28 cents per pound to buy, when the duty is increased 200 per cent and converted into cloth.

I am sure the Senator has not recommended these increased duties on wool rags without having requested some figures. Has

he any figures, and will he tell who gave them to him or where he got them?

Mr. SMOOT. I could tell the story right now as to why the change was made, in a very few words, but I do not want to take the time of the Senate unless the Senator wants me to.

Mr. WALSH of Massachusetts. I will ask the Senator two questions. Will the increase in the duty from 31 cents a pound to 34 cents a pound on raw wool increase the cost of wool to the manufacturer, or will it not?

Mr. SMOOT. Yes; to that extent.

Mr. WALSH of Massachusetts. Will the increase in the duty on wool rags from 8 cents a pound to 24 cents increase the price of woolen goods, so called, made in the woolen mills?

Mr. SMOOT. Wherever the rags are used.

Mr. WALSH of Massachusetts. It will increase the price—

Mr. SMOOT. Taking the whole industry in the United States, of course it would; there is no doubt about that.

Mr. WALSH of Massachusetts. So the Senator says, if I understand him correctly, that the increase in the duty from 31 cents to 34 cents will increase the price of all-wool clothing and the increase of the duty from 8 cents to 24 cents on woolen rags will increase the price of clothing from which woolen rags are made. The wool rags now costing 28 cents will cost 44 cents per pound when the proposed duty is added.

Mr. SMOOT. The figures the Senator has presented about \$10 on a suit of clothes—

Mr. WALSH of Massachusetts. I said frankly I thought that was exaggerated, but I gave the figures that have been given to me, prepared by clothing manufacturers. But these figures are based upon substituting a virgin-wool suit for a suit made from wool by-products.

Mr. SMOOT. Let me say one thing. I think 50 per cent of the suits sold by the manufacturer who furnished that information sell wholesale for less than \$10. I am speaking about the wholesale price.

Mr. WALSH of Massachusetts. I am not going into any denunciation of woolgrowers or wool manufacturers or clothing manufacturers. I am trying to translate into plain, everyday terms the effect of these duties upon the pocketbooks of the American people.

Mr. SMOOT. I sincerely hope the Senator will not claim—

Mr. WALSH of Massachusetts. I give my figures. Will the Senator give his?

Mr. SMOOT. I can give the figures.

Mr. WALSH of Massachusetts. I have stated that on the average the increased cost in a \$20 suit would be \$3.06 because of the increased duty on wool rags. Will the Senator give us some figures? Is it 50 cents; is it 25 cents; is it 5 cents? It is only fair to the country to have an estimate made.

Mr. SMOOT. The cloth in a suit of clothes made of 14-ounce cloth, made of three and a half to four yards of cloth, would cost about a dollar and a half.

Mr. WALSH of Massachusetts. I do not think that is helpful. I would rather not have interjected into the course of my remarks a general discussion. It would help if the Senator could give us an estimate made by some of his experts. Different persons reach varied estimates and different conclusions. I am giving the estimates I have received from clothiers.

Mr. SMOOT. All I was going to say was this, that you can take—

Mr. WALSH of Massachusetts. Pardon me. The Senator has no figures to give us? That is the fact?

Mr. SMOOT. I will give them in my own time.

Mr. WALSH of Massachusetts. I do not want to be insistent, but I have asked the Senator repeatedly if he can give us any estimate of how much this duty would increase the price of a \$20 suit of clothes or a \$20 overcoat. If he can give the figures, I will gladly yield to him to have them put in side by side with mine, but I do not want to have a general discussion about the changing processes in the making of the cloth going into a suit of clothes.

Mr. SMOOT. I will give the Senator the figures later.

Mr. WALSH of Massachusetts. I will give the Senator another chance to dispute some more estimates.

Mr. SMOOT. I want the Senator to understand that I do dispute his figures, and I say that they are not correct.

Mr. WALSH of Massachusetts. The Senator presents no alternative figures.

Mr. SMOOT. I will do so later.

Mr. WALSH of Massachusetts. Let us come to woolen socks. I get the information I am about to give from one who makes woolen socks from woolen rags.

Mr. SMOOT. I know that the man who gave those figures is Goldman, and if the Senator will look in the hearings of 1909 and refer to the discussion on the floor of the Senate he



will ascertain how absurd his figures were at that time, and these statements are just a repetition of what Goldman said in 1909.

Mr. WALSH of Massachusetts. Unfortunately I have not been able to get figures from Mr. Goldman. I regret it very much. He is one of the most prominent clothing manufacturers in the United States, I think. The Senator may not think him a good expert, but he has very high standing among the clothing manufacturers of the country. I asked him to get me some detailed figures; I sent him a telegram a few days ago.

Mr. SMOOT. Do not class him as the largest clothing manufacturer in the United States. He is among some of the smallest. Take Kuppenheimer.

Mr. WALSH of Massachusetts. Let us leave out our prejudice. Is he not a man known by every wool manufacturer and clothier by name?

Mr. SMOOT. All I have ever heard of him has been when there has been a tariff bill before us, and he wants free wool and everything else free. That is all I know of him.

Mr. WALSH of Massachusetts. I know he gave us a good deal of information in 1922, and I know that when I have inquired from what source I could get information from clothiers, his name has been given to me. I sent him a telegram and he wrote me a long letter in reply, which it is not necessary to consider at this time. But he said this:

How much it will increase the cost of clothing can not be determined in advance. Actually this higher tariff, just like any other tariff, has got to be paid for by the consumer, and as we all know the tariff is pyramided approximately three times by the time it reaches the consumer, as it passes, first, from the woolgrower to the dealer, then to the carder or spinner, then to the weaver, the clothing manufacturer, and retailer successively.

There is no justification whatever for any change in the woolen schedule. Over a period of years up to the present year there has been a fine profit in domestic woolgrowing, and even this year the business is not unprofitable, but less profitable.

I think he is pretty fair for a man who is opposing these duties in what he says about the woolgrowers. It was not necessary for him to say that even now the production of wool is less profitable than it has been. He said further:

It was due entirely to the fact that we had bumper clips last year. Normally there is a very fine balance, indeed, between the production of raw wool and the consumption, and I haven't a doubt in the world that the already firm wool market forecasts a generally rising price on raw wool, which will in the not distant future restore this industry to its profitable footing that has obtained ever since the tariff was enacted in 1922.

There should be no changes whatever in the duties either on wool, wastes, noils, woolen rags, or woolen clothing.

Mr. WALSH of Montana. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I will be pleased to.

Mr. WALSH of Montana. Now that the Senator is computing the effect of this additional tariff in the cost to the consumer, I would like to follow the figures by which he finds that the additional cost of a suit of clothes would be \$10 or \$3 or \$2, or any other considerable sum. The increase proposed on the wool is 3 cents a pound.

Mr. WALSH of Massachusetts. I am talking about wool rags; I am not talking about raw wool.

Mr. WALSH of Montana. Oh, well, of course—

Mr. WALSH of Massachusetts. That is the trouble; the Senator has been absent while I was discussing a different proposition.

Mr. WALSH of Montana. Wool rags fall in an entirely different section. We have not come to that yet. We are talking now about the effect on the cost to the consumer by reason of this increase in the paragraph we are considering, the increase of 3 cents a pound on raw wool.

Mr. WALSH of Massachusetts. I am talking about that duty and the duty on wool rags together, because they are interlocked and can not be separated.

Mr. WALSH of Montana. If there are  $3\frac{1}{2}$  pounds in a suit, the increase of 3 cents a pound in the original cost of the wool will mean  $10\frac{1}{2}$  cents on a suit of clothes. Let us suppose that there is an increase of 100 per cent. That would mean 21 cents added to the cost of a suit of clothes by the raising of this duty. It is not worth talking about.

Mr. SMOOT. The Senator wanted me to figure it out on the basis of clean wool.

Mr. WALSH of Massachusetts. I asked the Senator to give me the figures, if he had any, upon a \$20 suit of clothes made of wool rags. I am not talking about raw wool. I have not

made any estimates upon raw wool. I have admitted it would not be very great.

Mr. SMOOT. I am talking about wool rags. I will tell the Senator what it would be in a \$20 suit.

Mr. WALSH of Massachusetts. Those are the Senator's own figures?

Mr. SMOOT. I will leave it to anyone that knows anything about the woolen business. First, I will take the most ridiculous position that could be taken, that a suit of clothes is made out of all rags. Let us say, for example, that everything in the suit the Senator now has on is made out of wool rags. Let us see what the additional cost will be. There is an 8-cent increase in the rate. It would take 4.3 pounds of wool rags to make the suit of clothes; that is what the manufacturer would add to that suit in the way of cloth, so it would take 4.3 pounds of clean rags. An 8-cent per pound increase would mean 34.5 cents on the rags out of which the Senator's suit is made if it were made of all rags. That would be the increase under the proposed duty. Those are the figures.

Mr. WALSH of Massachusetts. How much does the Senator say?

Mr. SMOOT. Thirty-four and one-half cents is the increase if the suit was made out of all rags, but of course it is not.

Mr. WALSH of Massachusetts. How absurd and ridiculous those figures are can be best appreciated when we learn that the raw material in the cloth that goes into a suit of clothes varies from 40 to 60 per cent of the cost, depending upon the character of the suit of clothes. How can it be said that we can increase the duty on the raw product 200 per cent and get an increased cost of only 30 cents?

Mr. SMOOT. We are talking about wool rags. They are clean. I can show the Senator the rags, samples of which we have here in the Chamber right now.

Mr. WALSH of Massachusetts. Is it a fact that the raw product of wool rags in a suit of clothes varies from 40 per cent to 60 per cent in the cost?

Mr. SMOOT. No; it is not true.

Mr. WALSH of Massachusetts. How much is it?

Mr. SMOOT. I have told the Senator how much it is.

Mr. WALSH of Massachusetts. Is it a fact that the cost of the raw material varies materially in different suits?

Mr. SMOOT. Of course.

Mr. WALSH of Massachusetts. How much is it in a suit?

Mr. SMOOT. I am telling the Senator. We are talking about rags and the Senator wanted to confine me to rags. The duty upon rags is what I am trying to tell him. There are 4.3 pounds of rags in enough cloth to make a suit, if the maker used all rags.

Mr. WALSH of Massachusetts. What percentage is in the goods?

Mr. SMOOT. The cost of the material in a suit of clothes depends upon the product that goes into it. Generally speaking, throughout all the manufacture of woolen goods, the cost of the material in a suit of clothes is not to exceed 30 per cent.

Mr. WALSH of Massachusetts. I have here a table which I shall find directly which gives the proportionate costs of the various processes or steps which the wool goes through until it becomes the finished product.

I can well conceive of a great and wide differences of opinion about the estimates of the cost of clothing because of the duty upon wool, but I do know and every person who has talked with the manufacturers of the so-called shoddy goods believes that this duty is going to increase their costs tremendously and they really feel that there is ruin ahead for their industry.

Mr. SMOOT. And I can tell the Senator why.

Mr. WALSH of Massachusetts. The Senator in his own time can do that.

Mr. SMOOT. Very well.

Mr. WALSH of Massachusetts. I want to speak about another thing. I want to object to the levying of a specific duty upon raw wool or upon wool rags. Let me show how outrageous it is. I will show this when I give some figures which I do not think can be disputed, however much we may dispute about the cost to the public when we convert wool into cloth. There is no more justification for a specific duty on raw wool or wool rags than there is justification for levying the same tax upon a \$5,000 piece of land as upon a \$500 piece of land. If the same tax were levied upon a home valued at \$5,000 as upon a home valued at \$1,000,000, we would cry "Outrage! Tyranny! Favoritism!" And yet this specific tax worked out does actually levy a tremendous ad valorem duty upon the wool of the poor and a comparatively insignificant duty upon the wool of the rich.

I have here tables furnished me by the carded woolen manufacturers which give the import of wool rags that passed

through the customhouse at Boston for the week ending October 27, 1923. I ought to say in all fairness that the present price of wool decreased a good deal since that time, but the point I am trying to develop here, namely, the wide spread in ad valorem rates, can easily be understood by a study of this table.

This table shows that wool that came from Australia, 102 bales, valued at \$17,234, paid an equivalent ad valorem duty of 31.1 per cent upon the wool. That wool from Australia is the highest-priced and the best wool produced in the world. Wool from Canada, cheap wool, bore an equivalent ad valorem duty of 187.9 per cent. This table shows that the effect of the duty of 31 cents per pound on raw wool means that the high-priced wool, which sells sometimes for \$1.20 a pound, has a duty of 31 cents, but the wool of the poor, that goes into the making of the clothing of the poor, selling for 25 and 30 cents a pound and even less, as low as 7 cents a pound, indeed, bears a specific duty of 31 cents, representing an equivalent ad valorem, as the table shows, of 187.9 per cent.

Mr. WALSH of Montana. How does the Senator distinguish between the wool that goes into the clothing of the rich and the wool that goes into the clothing of the poor?

Mr. WALSH of Massachusetts. I am sure that I did not think anybody was unconscious of the fact that the people who have to pay the cheapest price for suits of clothes do not get as fine and as high-class and as excellent wool in their clothes as those who pay triple and quadruple for their suits of clothes when they are made of all fine wool.

Mr. WALSH of Montana. I am astonished to learn that they raise an inferior quality of wool in Canada. I supposed we raised the best wool in the world in the Northwest Provinces and in Montana.

Mr. WALSH of Massachusetts. I have not referred to the kind of wool they raise in Canada. I have referred to a shipment of wool from Canada in a given week and have had the rate computed into ad valorem terms. Does the Senator dispute the accuracy of the table?

Mr. WALSH of Montana. Not at all.

Mr. WALSH of Massachusetts. I have not said that Canada wool is a cheap wool. I have stated the fact that the ad valorem works out to be 187.8 per cent, and that shows that its price must be a good deal less than 31 cents a pound. If the wool was valued at 31 cents a pound and the duty was 31 cents a pound, the ad valorem equivalent would be 100 per cent.

Mr. WALSH of Montana. The Senator draws the deduction from those figures that the rich get a wool that bears a duty of 31 cents and the poor get a wool that bears a higher rate of duty.

Mr. WALSH of Massachusetts. The learned Senator from Montana is trying to advance the proposition that high-class wool goes into the clothing of the poor as well as the rich, when any ordinary person knows that the woolen industry has resorted to the use of woolen rags to provide cheap clothing for the poor as against the worsted industry using all new wool that produces clothing for the rich.

Mr. WALSH of Montana. I did not understand the Senator to be talking about wool rags now.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH of Massachusetts. I yield.

Mr. SMOOT. Let me call the Senator's attention to the fact that Harris tweeds are known all over the world. Harris tweeds are made of the very coarsest wool grown and sell for \$10 a yard, as the Senator must know if he has studied the question. When the fashions call for tweeds we have to scour the whole country to find enough coarse wool to supply the demand. In fact, many, many times when I have produced overcoating I have had to use carpet wool for backing. Many times when tweeds were in vogue the only way the demand could be supplied was to use carpet wool for backing. That is another situation. Some years the very finest of wool is in demand, the next year we will have a fashion that calls for ordinary fine wool, the next year we may have tweeds, and the next year we may have another class of goods entirely. That is the situation as to wool.

Mr. WALSH of Massachusetts. The specific duty on wool is 31 cents, and the average ad valorem, based upon value of imports, is about 50 per cent. The prices of the wool vary from less than 10 cents a pound to over \$1 a pound. If there is any more unfair proposition than to levy a specific duty of 31 cents on wool that costs 10 cents and 20 cents and the same specific duty on wool that costs \$1, I would like to have some Senator try to defend that method of levying impost duties upon our people. It can not be defended. It is not defended.

Mr. SMOOT. Is there such a thing as 10-cent wool?

Mr. WALSH of Massachusetts. I am informed that wool sometimes is as cheap as 7 cents.

Mr. SMOOT. Wool?

Mr. WALSH of Massachusetts. Yes; a very coarse, cheap wool.

Mr. SMOOT. I never heard of it.

Mr. WALSH of Massachusetts. That may be extreme. Is it not less than 20 cents sometimes?

Mr. SMOOT. Does the Senator mean in the grease?

Mr. WALSH of Massachusetts. Yes.

Mr. SMOOT. If we take the tags and the skirtings and wash them, it may be less than 20 cents, but only then.

Mr. WALSH of Massachusetts. I have cited a record of importations to Boston of Canadian wool which bore an ad valorem duty of 187 per cent. The specific duty is 31 cents. The ad valorem here is 187 per cent, therefore that wool must have been about 15 cents a pound.

Mr. SMOOT. There is no 15-cent wool raised in Canada. None is raised there. There is no 15-cent wool raised in the United States unless it is skirtings.

Mr. WALSH of Massachusetts. Then I will ask the Senator a question. What variations are there in the prices of wool?

Mr. SMOOT. That all depends upon the grade and the character of the wool.

Mr. WALSH of Massachusetts. Does the price vary from 20 cents to \$1?

Mr. SMOOT. Under the present market there may be some wools that are as low as 20 cents, but take the clip in the West, and take the clip in Montana. What have they sold for on the average this year? Over 30 cents!

Mr. WALSH of Montana. Scarcely 30 cents.

Mr. SMOOT. I am referring to this year. Last year contracts were made for 37 cents.

Mr. WALSH of Montana. I think about 29 cents would be the rate this year.

Mr. WALSH of Massachusetts. Mr. President, the answer is that the Tariff Commission concedes that the average ad valorem rate upon imports of wool was about 47 per cent. The specific duty is 31 cents a pound, and if the average ad valorem is 47 per cent, that means there have been some cheap wools and there have been some high-priced wools. Of course, that must be recognized as a fact. One thing we ought to be able to agree upon is that there is a wide spread in the price of wools. Look at this table here [exhibiting]. There are cheap wools, there are medium-priced wools, and there are high-priced wools; there are fine wools and coarse wools; but I am protesting against a specific duty that is the same on 20-cent wool as on dollar wool. I repeat, it is like putting the same tax upon a plot of land worth a hundred dollars and on a plot of land worth a thousand dollars. If one can be justified the other can be justified.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. WALSH of Massachusetts. I gladly yield.

Mr. WALSH of Montana. I am going to vote with the Senator on the duty on raw wool. I am against the increase in the rate; but I rise for the purpose of keeping the discussion within reasonable limits. The Senator is talking about different qualities of wool. It may be that my attitude with respect to the matter is due to the fact that I have some money invested in the business, but I do not know of any place in America where there is any 10-cent wool raised. There is much variation between wools as one goes north. The season of clipping begins in Texas, and the farther one goes north the higher the price is.

We get a little more in Montana than is obtained in Wyoming; perhaps the growers in Wyoming get a little more than do the growers in Colorado; and I suppose the growers in Colorado get a little more than the growers in Texas; but when wool sells for 30 cents a pound in Montana, it sells at about 25 cents in Texas. That is about the range of the price. I would not say that there was a difference of 5 cents a pound from the Mexican line to the Canadian line.

Of course, if any wool has been introduced into this country from Canada at 10 cents a pound or within the current year at even 20 cents a pound, it was the skirtings, beyond question. Exactly the same thing is true of the wool that comes from Australia. The wool that comes from Australia is all skirted; it is high-priced wool; and the more complete the skirting is, of course, the higher is the price, because the wools that come from the legs and the tail of the animal are inferior in quality; that is the low-grade of wool. Some such explanation as that must be found for this extraordinary low-cost importation from



Canada. That is an extraordinary thing and not the usual thing at all.

Mr. WALSH of Massachusetts. Mr. President, I will read from the table, which shows the imports of wool in bales and the ad valorem rate of duty levied upon those imports during the week ending October 27, 1923, based upon the specific duty of 31 cents per pound. The various ad valorem equivalents are given on 13 different grades of wool.

The first ad valorem equivalent is 31.1 per cent; the second, 187.9 per cent; the third, 48.9 per cent; the next, 23.8 per cent; the next, 87.6 per cent; the next, 84.5 per cent; the next, 96.3 per cent; the next, 49.8 per cent; the next, 56.5 per cent; the next, 50.2 per cent; the next, 80.3 per cent; and the next, 87.3 per cent; the last, 87.1 per cent.

Mr. THOMAS of Idaho. Mr. President—

Mr. WALSH of Massachusetts. I do not yield at this moment.

Now I will read a paragraph from the circular showing the conclusions of the Carded Wool Manufacturers' Association, which has for a generation carried on a campaign against specific duties and is demanding ad valorem duties upon wool. I quote:

We call attention to the irregularity of the tax on the different wools in this report, and particularly to the first two items; one showing a tax of 31 per cent ad valorem, or \$310 on \$1,000 worth of wool, while the other shows a tax of 188 per cent ad valorem, or \$1,880 on \$1,000 worth of wool.

In other words, as it works out, a tax of \$1,880 is put on a thousand dollars worth of wool in one case, and a tax of \$310 on another thousand dollars worth of a different kind of wool. The tax of \$310 is upon the high-priced, exceedingly fine, and valuable wool, while the tax of \$1,880 on a thousand dollars worth of wool is on the poorer, coarser, inferior wools, which are worn by the poor people of America. Does the Senator from Montana dispute these facts?

I will read another paragraph.

Mr. WALSH of Montana. Let me ask the Senator a question there.

Mr. WALSH of Massachusetts. I should like to finish one more sentence. I am glad that I have succeeded in stirring up a little opposition here, any way. This increased rate was going to go through without any discussion at all. Let me read another sentence.

The tax on wool imports for that week alone varied from 23.8 per cent ad valorem to 187.9 per cent.

Let me repeat that statement:

The tax on wool imports for that week alone varied from 23.8 per cent ad valorem to 187.9 per cent.

And yet when an ad valorem of 187.9 per cent is levied on wool I am questioned here as to the assertion I make that some wool has come in here as cheap as 15 cents a pound.

Now I yield to the Senator from Montana.

Mr. WALSH of Montana. Will the Senator now tell us what proportion of the total importation came in bearing a duty of 187 per cent?

Mr. WALSH of Massachusetts. All I can say is that the Tariff Commission—and their statement is not disputed—say that the average ad valorem is about 47 per cent. If the average ad valorem is 47 per cent and the specific duty is 31 cents, there must have been a good deal of high-priced wool come in, especially if what the Senator from Montana and the Senator from Utah say is true, that there is no wool under 20 cents a pound.

Mr. WALSH of Montana. I have not obtained the information for which I asked as to what proportion of the total importation bore a duty of 187 per cent ad valorem.

Mr. WALSH of Massachusetts. I think, speaking frankly, the proportion was rather small because the woolen mills which make the cloth for the poor have had to abandon using wool and have turned to wool rags. Therefore, practically all the wool that comes in is of a finer quality, out of which the finer clothes are made.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH of Massachusetts. I yield.

Mr. SMOOT. Speaking of the Canadian wool, there were a few bags of Canadian wool that came in, but not a pound of it went into a suit of clothes. It was long wool, and the invoice price was 17 cents a pound. I do not think that justifies the statement that the average duty on a few pounds of wool was 187 per cent.

Mr. WALSH of Massachusetts. I hope the Senator does not think that away back in 1923 the carded woolen manufacturers, thinking a tariff bill was going to be considered in 1923, im-

ported a shipload of wool from Canada so as to show the high ad valorem rate I have indicated.

Mr. President, I have spoken longer than I had intended, and, perhaps, with a good deal of earnestness. I repeat, this duty is discriminatory and indefensible. It is wrong to impose a specific duty where the variation in the value of the product is so wide. We might just as well have a specific duty of a dollar on a thousand-dollar diamond when imported and a specific duty of a dollar on a hundred-thousand-dollar diamond. There is no difference in principle.

Certainly the increasing of the duty upon raw wool and the increasing of the duty upon wool rags is a hardship that the American consuming public ought not to be called upon to bear at a period when we are facing what may be—God forbid—a very serious business depression.

The people of the country vigorously protested and denounced the attempt to increase the duty on sugar by 20 per cent over the present duty. What will the American public say when they realize that actually an increased duty of 200 per cent is being levied upon wool by-products that are the raw material for their clothing?

This duty will not benefit the woolgrowers. If it helps any industry, it will help the rag pickers who do not ask it. It means that the woolen industry will be forced, as it was forced by the heavy duty on raw wool, to use cheaper rags or cotton or other artificial substitutes. The woolgrowers are deceiving themselves if they assume that the woolen industry will substitute virgin wool, in view of its cost plus the duty levied upon it, when they have been able to purchase these rags at an average price of 27 cents a pound. Wool rags at 27 cents a pound and virgin wool with a duty of 31 cents a pound and varying in price, as is reluctantly admitted here, from 20 cents a pound to a dollar a pound! Just now perhaps that is not the correct range, because wool is not as high as it has been, but the range has at times been even greater than that, for wool has gone up to \$1.20 and even \$1.40 a pound in periods of extreme prosperity.

I do not wonder that some Senators are uncomfortable over the prospect of voting for an increase of 200 per cent in the duty upon wool rags. I do not wonder that they are planning and figuring to show how little it will amount to the purchasers of clothing. I do not hesitate to say that whoever votes for such a duty will have some explaining to do to the consumers of America when they have destroyed an industry that produces cheap clothing, that affords protection against the inclement weather of the winter. The poor—not the poor of the crowded cities alone, but the poor on every farm in America where a blanket is used to keep out the cold of the winter and where underwear is worn and where heavy clothing is necessary—will feel the effect of these increased duties. It is indefensible; it is the worst rate in this bill. We can injure the people by taking from them the comforts of life in the way of suitable clothing as well as by limiting their supply of food.

Starvation is not the only way of destroying life. Exposure kills as effectively. I hope that, at least, I have prevented this amendment to increase these duties from rolling through here without the public being made aware of the result of these extreme duties, and the effect of the duties upon wool in injuring the woolen business and increasing prices to woolen consumers.

I repeat, as I began, there are three groups of people interested here. Woolgrowers? Yes; but they are to-day the most prosperous of the three groups. Manufacturers of wool? Yes—a story of business depression, a story of ruin, a story of unemployment, a story of curtailed production. Consumers, who must pay the price and upon whom these duties will be effective; and from the beginning of this debate to the end one of the things upon which it was agreed duties would be effective was wool.

At a period of time, I repeat, when there is anything but a bright outlook for business conditions in this country, I do not want by any word of mine to appear to be pessimistic, or to contribute in any way to the doubt and skepticism of the public about business conditions; but I do say it is no time to put imposts—for that is what they are—upon the poor. You can not get away from it, dodge and explain as you will; these duties affect the poor. It is the poor man's clothing that will be increased substantially in price.

I know it is easy for Senators to say, "I do not mind a 3-cent increase in raw wool." That will not amount to very much; but I am emphasizing more a 200 per cent duty on wool rags. I am asserting also that the duty on raw wool is already excessive.

Mr. President, if the consumers have any rights here, if there is any time when their interests ought to be regarded, if there is any duty that is effective and is going to be translated into their pocketbooks, it is these duties. I protest them, and I

ask that the duty of 31 cents a pound on wool which the Finance Committee recommended be retained in the law. Let us go on as we have, without putting any more burdens upon the woolen industry or upon the consumer. I ask that we pause and hesitate before we thrust a stiletto in the back of a depressed industry employing thousands and thousands of people.

Let me add that this industry is a highly competitive one. The mills that make these woollens in the main are small concerns, dotted throughout the land.

In some of the mills that buy these rags there are but a mere handful of employees engaged in converting them into warm and comfortable, and even at times most attractive, suitings for clothing. Yes; of all the industries in this country with which I am familiar, there is no branch of industry where the units of operation and the number of employees are so small. It is an industry of individuals rather than the larger units of industry which have gone into the worsted business more particularly and have left the woolen business to the small mills, scattered from Maine to California. It is one of the types of industry that is independent, small, and free from trust control.

I repeat, this duty threatens ruin to this industry. It will throw thousands out of employment, and will rob the poor; and I emphasize the poor. I am not accustomed, as Senators on this floor know, to make appeals to class or refer very often to class, but I do it here because I want those who vote for these increases to know from whose pockets the millions of dollars will come to pay these duties. It is not the people—not those who can afford it, not the prosperous—but the plain, everyday, average working men and women of America.

Let us pause, I pray, before we levy such an outrageous, indefensible tax upon this class of our constituents.

Mr. President, in conclusion, the effect of the proposed duty on wool and the by-products of wool would be as follows:

First. Increase the use of wool substitutes, such as cotton, rayon, and so forth.

Second. Decrease employment in the woolen industry.

Third. Benefit the worsted at the expense of the woolen industry.

Fourth. Decrease exports of inferior wool rags.

Fifth. Increase the price and decrease the quality of low and medium priced woolen clothing.

Sixth. The levying of a specific duty on wool is a rank discrimination, in that it is only mildly effective in increasing prices of expensive clothing, yet raises the prices of cheaper clothing extortionately.

Seventh. The method of levying this duty is as indefensible as it would be to collect the same tax upon real estate of widely varying prices.

Mr. BRATTON and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER (Mr. Fess in the chair). The Senator from New Mexico.

Mr. BRATTON. Mr. President, I shall not undertake to debate the question at length. Rather shall I content myself with stating my position.

I favor the 34-cent rate. I hope the committee amendment will be rejected. I do not share the forecasts of the Senator from Massachusetts [Mr. WALSH]. I think the rate can be justified in sound economics.

There is no business in this country that has more elements of hazard involved in its conduct than does the wool-producing business. There is the question of weather conditions, particularly in the West and the Northwest. Extreme winter means large feed bills, heavy death rate, increased expense, all cutting into the profits of the industry. Droughts in the summer likewise make their inroads. Shortage in the lamb crop, a frequent occurrence, decreases or destroys the possibilities of gain. Furthermore, as stated by the Senator from Montana, the rate is effective only to the extent of about 50 per cent, and the ratio of 3 pounds of wool in the grease to 1 of the clean content by mathematical calculation demonstrates that the proposed increase from 31 to 34 cents per pound will mean one-half cent per pound; that, carried into an ordinary suit of clothes, will mean about 15 cents difference in the cost of the garment.

Mr. President, this is essentially a commodity agricultural in nature. It is a part of the farm. It is produced on the ranch. It is agricultural in character. I am unable to understand why some Senators advocate raising the duties on agricultural products except when we come to wool, and then they strenuously argue that no increase is justifiable.

The Senator from Massachusetts [Mr. WALSH], in the course of his very able address, asked about the price of raw wool. I know that in my section of the country wool as sold as during the summer and early fall of this year, 1929, sold as low as 20, 22, 23, and 25 cents per pound—a distinct loss. Mr.

President, if the theory of tariff legislation is to extend protection where protection is needed, and justified in sound economics, I assert without apology and without fear of contradiction that the industry here in question deserves and merits the increase of 3 cents per pound over the act of 1922.

The woolgrowers have not become millionaires under the act of 1922. They have gained no great profits under the rate of 31 cents per pound prescribed in that act. On the contrary, throughout the West during the depression which occurred from 1921 to 1924, literally thousands of woolgrowers, sheep growers, those engaged in that industry, were driven out of it. Many of them went into bankruptcy. They surrendered their assets to their creditors and abandoned the field.

So, Mr. President, without taking further time, and contenting myself with merely stating the facts upon which I reach the conclusion, I am content to say that I favor the 34-cent rate, and hope the committee amendment will be rejected by the Senate.

Mr. SMOOT rose.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. GEORGE. Mr. President, is the Senator from Utah going to make a speech on this subject?

Mr. SMOOT. I can do so, but I am not particular about it. I can do it now or at any other time. What I was going to say was that as far as rags are concerned, I would rather speak on the rag question when it comes up. I intend to do that. I am perfectly willing now to vote on this amendment.

Mr. GEORGE. I wish to make a very brief statement, Mr. President. I thought perhaps the Senator from Utah preferred to go on at this time.

Mr. SMOOT. No; I am ready to vote on this amendment, because whatever action is taken upon this amendment, of course, will carry through all the other paragraphs of this schedule in which wool is involved. There are only two real amendments in the bill—the change of the duty on clean-content wool from 34 to 31 cents, and the increase of the duty on rags from 8 to 24 cents. Those are the two points. If we reject the Senate committee amendment as to the 34 cents, then all the other paragraphs of this schedule, of course, will be changed accordingly.

Mr. GEORGE. I did not understand the Senator's statement.

Mr. SMOOT. I say, in the case of the Senate committee amendment found on page 171, line 21, the House provided 34 cents, and the Senate committee proposed to decrease that to 31 cents.

Mr. GEORGE. That is, the committee proposed to return to the rate of the existing law?

Mr. SMOOT. Yes. In other words, the question now before the Senate is, Shall it agree to the Senate committee amendment?

Mr. GEORGE. Yes; but what I did not understand was what the Senator had to say with reference to all the other rates.

Mr. SMOOT. What I said was that if we reject the Senate committee amendment, and the rate on the clean content of wool is 34 cents, then that will be carried through the bill.

Mr. GEORGE. The whole bill?

Mr. SMOOT. The whole bill. I have all the places marked, and it will not take very long to have those changes made. If we agree to the committee amendment, then, of course, the other amendments will naturally follow where there is a duty provided for.

Mr. GEORGE. That is exactly what I wanted to address myself to, Mr. President.

Mr. SIMMONS. As I understand the Senator from Utah, if we adopt the Senate committee rate on wool, then we will adopt the balance of the Senate committee amendments.

Mr. SMOOT. The compensatory duties.

Mr. SIMMONS. If we disagree and restore the House rate, then we will adopt the House rates all through?

Mr. SMOOT. Practically so.

Mr. FLETCHER. Mr. President, in order to get definitely stated the paragraphs the Senator had in mind, did he refer to paragraph 1102?

Mr. SMOOT. That is right.

Mr. FLETCHER. The next paragraph about which there will be a contest will be paragraph 1106, will it not?

Mr. SMOOT. The next amendment will be on line 23. The amendments go clear through all the paragraphs of the schedule.

Mr. FLETCHER. But the Senator mentioned two particular points of controversy.

Mr. SMOOT. The other controverted question now is found in paragraph 1105, in which the duty on rags was changed. Those are the ones I specifically mentioned. All of the others will follow our action on this amendment.



Mr. GEORGE. Mr. President, I regret that I am not able to vote to reject the committee amendment, which would mean restoring the House rate of 34 cents on wool. I shall therefore vote for the amendment proposed by the Senate Finance Committee.

I realize that wool is an agricultural product in a broad sense. I realize also that all woolgrowers are not perhaps millionaires, though I have no hesitancy in saying that the woolgrowers could very well do the banking business for the cotton growers, and I dare say for the wheat growers. They are not suffering to the same extent that other farmers in the United States are suffering. Not only that, but under the tariff of 1922—that is, under the 31-cent duty on wool—the number of sheep have increased, the wool clip has increased, the domestic woolgrowers are supplying more of the domestic consumption, and imports are falling off.

Mr. KENDRICK. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. KENDRICK. I wanted to ask the Senator if he was also mindful of the fact that the price of wool has steadily decreased for the past two or three years?

Mr. GEORGE. That is quite true; the Senator is correct. I know of no other test by which we can correctly measure the effectiveness of a tariff; imports are declining and domestic production is increasing.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield. If I am wrong in any of my statements, I hope Senators will correct me.

Mr. STEIWER. I am not prepared to say that the Senator is wrong; indeed, the statistical information discloses increases in the number of sheep, not on the range lands, however. The increase is almost wholly upon the farms, and in the Texas area, where the cattle business has yielded up the ground to sheep.

What I rose to say was not in relation to that. What I wanted to say to the Senate and to the Senator who is speaking is that, in spite of statistical information showing an increase in the number of sheep, it is the widely accepted belief of those in the industry that at this time the number of sheep is radically declining. There is a slaughtering movement of parent stock on, which has been in progress since possibly August of this year, and it will continue, with a rapid decrease in the number of sheep in this country, unless the condition of the industry may be made more prosperous.

Mr. GEORGE. Mr. President, in order that my remarks may be consecutive, there is an increase in the number of sheep, there is an increase in the wool clip, there is an increase in the domestic production, there is a constant, marked decrease in imports. We do not produce all the wool we use in the United States; we must import a portion of it.

What is the situation? There has been a decline in price of wool during the last several months. But the price has declined all over the world. The tariff upon wool is partially effective. Wool is not strictly a farm product, but let us assume it to be a farm product; it is one of the few farm products or related products upon which the tariff is effective.

Mr. KENDRICK. Mr. President, will the Senator yield again?

Mr. GEORGE. In just a moment. Unfortunately the tariff is not effective upon all farm products; producers of certain crops may be aided by a tariff duty, but the advantage to the few is an additional burden on the wheat grower, on the cotton grower, on the corn grower, on the great bulk of the farmers in this country.

I now yield to the Senator from Wyoming.

Mr. KENDRICK. Mr. President, in connection with the Senator's admission that this is an agricultural product, I wanted to ask him if he knew of any agricultural product in the Nation that is produced over a wider area or territory, and in which more farmers of the country are interested, than is the case with the production of wool?

Mr. GEORGE. Yes, Mr. President; I am bound to say to the Senator that the cotton producers far outnumber the wool producers. There are a large number of farmers who produce a small amount of wool, but, after all, the great bulk of the wool is produced by a relatively few growers, I believe.

Mr. KENDRICK. That is possibly true, but the Senator will also admit that the cotton producer and the wool producer are in many cases one and the same person; one man will be interested in the production of the two commodities.

Mr. GEORGE. That is true. I want to be understood. I do not say that the woolgrower is making a dime too much, and I would not take a penny away from him. I simply point out that when we compare the woolgrower with the producers of our great staple farm products, on whom we necessarily put

some additional burdens by a tariff on wool, there ought to be a very good and a very substantial reason for it.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BRATTON. The Senator knows that no Member of this body has greater respect for his opinion than I have. The question I ask is purely to elicit an expression of his views.

We set out to reduce the disparity between industry and agriculture by raising the duties on agricultural commodities. The Senator and I are in harmony on practically all the items. I should like to know how he can single out wool and say that the producers of that commodity should be denied increased protection, while the producers of cotton, wheat, corn, peanuts, pecans, and commodities of that character should receive higher rates. We have even gone to the limit of putting the debenture provision in the bill in order that producers might get 50 per cent of the rate of the duty upon certain products of the farm.

Mr. GEORGE. Yes, Mr. President; and I hope it will stay in.

Mr. BRATTON. So do I.

Mr. GEORGE. But I have not very much faith that it will.

Mr. BRATTON. I shall join the Senator in putting forward our strenuous efforts to retain that provision in the bill. The point in which I am interested is this. The producers of wool are not becoming millionaires overnight, they have their difficulties in the economic and business world. The wages they pay have increased, their prices for range have gone upward, everything they buy has increased in price, all combining to put them in the same class with other agriculturists so far as being in distress is concerned.

Mr. GEORGE. Mr. President, I will cover that point, if the Senator will pardon me.

I ask any Senator from a State where both wool and wheat are produced to rise and state whether the wheat grower is as prosperous as the woolgrower. Let us take the States where both wheat and wool are produced. Unfortunately, without the debenture, we can not do much for the great mass of our farmers, the men who till the soil. All of us admit that.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. FRAZIER. I want to call the attention of the Senator from Georgia to the fact that a large percentage of the wool is produced by the small farmer, who carries on mixed farming. Up in my part of the country the farmers raise wheat, flax, barley, a few cattle, a few sheep, some poultry, and a few hogs. It is the farmer engaged in mixed farming who produces over half of the wool that is produced in the United States. So a little better price for the wool will help out on wheat and other products.

Mr. GEORGE. Mr. President, at the beginning of this session I put into the RECORD a table, which I may say, I did not prepare, showing the number of wheat growers, the number of cotton growers, the number of woolgrowers, and the number of farmers engaged in other branches of agriculture, and I respectfully refer Senators to that table.

Even if I could, I would not take a penny away from the woolgrower, but I assert again that he is the most prosperous in the agricultural group, with possibly the exception of those engaged in dairying. When we look into the condition of any of the large producers, we find that the wool producer is the most prosperous.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. GLENN. The Senator from Georgia will not deny that sheep can be grown in a very large portion of the farming territory of the United States, will he?

Mr. GEORGE. Oh, no; I will not deny that. I did not rise for that purpose.

Mr. GLENN. Does not the Senator, then, think it would be well to see if we can—that at least one item that can be produced almost throughout the United States is a profitable article for the farmers to grow?

Mr. GEORGE. Yes; but I do not suppose the Senator contemplates that we can make all the farmers in the United States woolgrowers.

Mr. GLENN. No; but I do think that sheep can be grown in a very large part of the United States by the farmers.

Mr. GEORGE. I beg Senators to let me proceed now with my argument.

What I am pointing out is that the tariff is now increasing the number of wool producers, is now increasing the number of sheep, is now decreasing the importations. In other words, the tariff is working; it is effective, and it is working.

Suppose we add this duty; what benefit are the wool producers to get out of it? How much benefit will they get out of it as woolgrowers?

According to all of the figures, according to all of the statistics, the gain to the woolgrowers of the United States from the proposed increase, and the increase that is proposed in the waste paragraph, paragraph 1105, will be very slight, because the industry is subject to many of the influences and difficulties that affect the cotton industry, although wool is not on an export basis.

Did not the Senator from Utah [Mr. SMOOT] advise us that if this increased duty was voted, especially if the high duties in paragraph 1105 were accepted, that then all the high rates in the further paragraphs in the woolen schedule would follow? Of course, the Senators would not necessarily vote for the high rates to the manufacturers, and I do not know that they will do so; but probably they will be persuaded to do so if the manufacturers are allowed the chance to live that they now enjoy.

Let me say to the Senate that according to the evidence before the Finance Committee, whether true or untrue, whether colored or not, the woolen and worsted industries in the United States are in greater distress than any of our major industries, perhaps without exception. If that evidence be true, what are we going to do about it? Are we going to give the grower 3 cents a pound more on the clean content of his wool and then, perhaps, a greater increase of duty on the waste and the rags? What is all that going to mean to the woolgrower? If the woolgrowers were in distress proportionate to the great bulk of our farmers, or even if this increase would greatly benefit them, I would go with them and I would vote with them. But I am called upon to vote for this increase when I know that under the facts they are not going to be greatly benefited. They can not be greatly benefited by this increase in the duty, because the price of their wool is still going to be affected by other considerations that can not be remedied in the tariff. As soon as that increase is given to them, then the Senate of the United States is going to give to all the makers of every kind of wool products an increase in rates of duty that far exceed the rates in the old Payne-Aldrich law or in any prior or subsequent tariff act. Senators think they are going to help the woolgrowers. I hope they will, and I do not say that there will not be some slight benefit to the woolgrowers.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Virginia?

Mr. GEORGE. I yield.

Mr. GLASS. How could the net benefit to the woolgrower possibly occur if we are going on further in the schedule and levy a 200 per cent increase in the rate in section 1105? I call the Senator's attention to the fact that 90 per cent of the farmers themselves, if they are able to buy any woolen clothes at all, buy the clothes made of the stuff on which the rate is going to be increased 200 per cent, or from 8 cents per pound to 24 cents per pound.

Mr. GEORGE. I quite agree with the Senator's view, but I am giving to the woolgrower every possible advantage that I can.

Mr. GLASS. But the advantage is not net. If he has to pay that much more for his clothes, what does it profit him to get a little more for his wool?

Mr. GEORGE. I think the Senator is quite right. But the woolgrowers seem to have a different view of it and conceding everything claimed, the advantage that the grower will get will be very slight. He will have to increase the burden upon his fellow farmers and upon the general consumers in order to get it. The chairman of the Finance Committee, who has in this instance and for the first time deserted the flag and left the committee high and dry in his argument at least, has told us that he has already figured out the increases that must be added in each and every paragraph of the schedule.

Senators, make no mistake about it; this is Schedule 11 in the pending bill, but it is the old Schedule K, the same old obnoxious, offensive Schedule K which the American people very well know. It is the same old schedule through which we were introduced to the compensatory duty of the manufacturer which is an antidote and a complete antidote for everything we give to the farmer or the producer of the raw material.

Not only is that true, Mr. President, but there is another fact worthy of notice here and it ought to give to my friends who are prepared to vote for this duty the vain hope that they will improve the condition of the sheep grower a little. When the subcommittee was in session on which I had the honor of serving until the committee went into executive session to write the bill, I was much impressed by the fact that our delightful old Tory friend, Joseph R. Grundy, appeared. I do not want to criticize him. I think he is a charming old Tory. He was born about 75 years after his age passed away and his

proposals and suggestions are so absurd and so ridiculous as to be really amusing. But our good friend Grundy came into the room with the woolgrowers and there he was, the worsted manufacturer, arm in arm with the representatives of the woolgrowers.

Mr. GLASS. Why should he not be?

Mr. GEORGE. The Senator's question is quite pertinent now, but I did not understand it then. I said, "How did this happen? How did it happen that Mr. Grundy should be coming into the committee room, arm in arm with the sheep growers, the producers of wool?" When I observed how keenly interested Mr. Grundy was in the tremendous increase in the duty on rags and wool waste from 7½ cents, in the existing law, and 8 cents, in the House provision, to 24 cents a pound, I was still more confused. I could not understand his keen interest in giving to the woolgrower a higher rate of duty, not only on wool, but especially on rags and on the waste.

I began to make a little investigation, and I found that Mr. Grundy is a worsted manufacturer. Then I began to look at the condition of the woolen manufacturers and I found that waste and rags constituted 21.94 per cent of all the material used by the woolen manufacturers; that is to say, that of all the materials used by them in the United States, above 21 per cent in 1927 consisted of the wool waste and wool rags, while the rags and waste constituted only 0.16 per cent, or about one-sixth of 1 per cent of the worsted manufacturers' materials. Then I could understand why he was not very much concerned as a worsted manufacturer by the proposed increase on the rags and the wool waste, the woolen manufacturers' material.

Mr. President, in 1928 we imported into the country 50,192,183 pounds of wool. Let us assume that the increase in duty would be fully effective. It would amount to an additional duty paid of \$1,505,765, on the basis of the 1928 imports. In 1928 we imported 21,637,826 pounds of rags. The additional duty—not the full duty, but the additional duty paid upon the importations of rags in 1928, would have cost the general consumer at once and without pyramiding \$3,570,241.29.

Mr. President, let us assume that the imposition of 3 cents per pound additional on the clean content of wool will be reflected in the price of the wool grown in the United States, and so also the 16½ cents per pound additional on rags in the price of rags produced in the United States. We can begin to appreciate the fact that the additional compensatory duties will certainly increase the cost to the general consumer, but the price to the woolgrower will not be greatly increased—measuring the increase by the operations of the present duties.

Mr. President, the truth is that the woolgrowers in the country are going to accentuate their troubles. There has been a marked increase in the importations of rags and of woolen waste. Likewise there has been an increase in the use of other materials. There will be a greater increase in the use of other material for wool if the duty on wool is increased as is proposed in the bill.

Let me summarize what I think will be the result of the increase in the duty on wool coupled with the increase in the duty on rags and waste, if that shall follow. I believe the effect of these increases on wool by-products and on wool will be to increase the use of wool substitutes, such as cotton, rayon, artificial wool, and so forth, to decrease the employment in the woolen industry, which has already decreased 15 per cent since 1923; to benefit the worsted at the expense of the woolen industry, which is perfectly obvious upon the face of the facts; to compel the woolen manufacturer to substitute inferior rags, which we are now exporting, for the high-grade rags which are imported to take the place of these rags.

There will probably likewise be some increase in the price of all medium grade or medium quality clothing and upon low-priced clothing.

Mr. President, we both export rags and import rags. The rags which we export are cheap in value, while the ones which we import, of course, vary in price, but, on the average, they are more valuable than are the rags exported.

What is going to happen? A 24-cent duty will be a prohibition against the importation of rags. That will be the result; and the woolen manufacturer will be compelled to use the cheap rags which the industry is now sending out of the United States; so the quality of the clothes of the working man and of the man who wears moderate-priced suits will be cheapened. That is all it means. The price is not going to be increased, because one of our troubles now is that prices are so high that the product is losing out in the game of holding the market. The prices are so high that the product can not overcome the sales resistance in competition with artificial wools and cotton and other substitutes.

If the duty on woolen rags shall be increased from 8 cents, as the House provided, and from 7½ cents, as in the existing



law, to the high point of 24 cents a pound, 21 per cent of the material which the woolen manufacturers of the United States are spinning into cloth will be taken away from them. What will they do about it? There is but one thing they can do; that is to find substitutes; and the immediate substitute is the rags that we make here, which we now send abroad, and which are very much cheaper and very much less valuable than are the rags which we import.

Mr. SACKETT. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Kentucky?

Mr. GEORGE. I yield.

Mr. SACKETT. The Senator from Georgia spoke of the rags we import and the rags we export. As the Senator remembers the testimony, is there any relationship between the exported rags and the imported rags for use in the woolen manufacturing business?

Mr. GEORGE. I do not recall such testimony.

Mr. SACKETT. Was it not to the effect that the rags that we gathered in this country and exported could not be used in the woolen industry?

Mr. GEORGE. Yes; I think it was. I think that was the effect of the testimony.

Mr. SACKETT. So that there would not be, under that condition, any particular relationship between the exported rags and the imported rags, so far as the woolen industry goes?

Mr. GEORGE. I think there would be a direct relationship.

Mr. SACKETT. If we are going to use the rags here that hitherto we have exported, where would be the relationship to the rags which we import?

Mr. GEORGE. I mean relationship in this way: We export the rags that are produced here and import rags which do go into the woolen industry.

Mr. SACKETT. Yes; but those that we export can not go into the woolen industry.

Mr. GEORGE. But they will go into the woolen industry if we shall put an embargo on the imports. That is exactly where we shall get our supply, and not from the virgin wool. That will cheapen the product.

Mr. SACKETT. I thought that the testimony was to the effect that the manufacturers could not use in the woolen industry the rags that we export.

Mr. GEORGE. Oh, no. They could not use them and make the same grade of merchandise. That is my recollection, and I am sure that is in accordance with the facts.

Mr. SACKETT. I think not.

Mr. GEORGE. The average value of the imports of rags and waste is 27.7 cents per pound, and the average value of the exports is about 8 cents per pound.

Mr. President, of course, the woolen manufacturers might present to the Congress the picture that they would be unable to use such rags, but I do not doubt that they will use those rags; that is exactly what they will use. They can not advance the price of a \$20 suit and sell it; they have got to keep clothing in line with its present price. Competition in textiles is too sharp for them to advance the price of the suit or the overcoat out of line with the general prices of other materials. So the result will be that they will cheapen the price of the product.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Georgia yield to the Senator from Montana?

Mr. GEORGE. I yield to the Senator.

Mr. WALSH of Montana. I rise, Mr. President, to question the reliability of the figures last given by the Senator from Georgia as to the average price of imported rags being 27 cents a pound. I think there must be some mistake. The average price of imported raw wool can be very little more than that.

Mr. GEORGE. The figures I have were taken from the Summary of Tariff Information furnished by the Tariff Commission. I may have misread them.

Mr. WALSH of Montana. It would be surprising to me if we could import rags at 27 cents a pound, because that is almost the price of the wool itself.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield further; and if so, to whom?

Mr. GEORGE. I yield to the Senator from Utah.

Mr. SMOOT. The average price of rags imported into the United States was 28.3 cents per pound. However, the rags thus imported were better than wool in the grease, and when we reach the proper paragraph I will explain that. In the case of rags, all that it is necessary to do is to garnet them and then they are equal to wool.

Mr. WALSH of Massachusetts. Mr. President, are we agreed, then, that the average price of imported rags is 27 cents a pound?

Mr. SMOOT. That is so as to the kind imported but not to the kind we export to foreign countries.

Mr. GEORGE. Mr. President, the Senator from Utah is quite right. I think the Senator from Montana will find that the average value of rags imported is in the neighborhood of 28 cents a pound. The Senator from Utah is again right in saying that some of these importations are very valuable and are really worth more than the wool. That is quite true. When we reach that paragraph I shall not contend there ought to be some protection against the importations, but I think a flat 24-cent rate on rags is quite too high. I think such a duty will hurt the industry and will not help it.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Massachusetts?

Mr. GEORGE. I yield.

Mr. WALSH of Massachusetts. Is it not a fact that some of these rags at the present time sell for the same price as virgin wool?

Mr. GEORGE. I am not able to say, Mr. President. I am simply giving the average, and reasoning from the average I would say that the Senator must be correct.

Mr. SMOOT. Oh, no.

Mr. WALSH of Massachusetts. My information is that some of these rags sell to-day for substantially the price at which virgin wool is selling. That is not true as to all the years that have passed, because virgin wool has been a good deal higher heretofore than it is now, while the rags have remained at about the same price.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I yield.

Mr. SMOOT. Taking the average price of Utah wools or Wyoming wools or Montana wools last year I think the wools from those States were contracted for at 33 cents a pound, while this year the price of those wools is running from 23 to 25 cents a pound. However, they are in the grease. Sixty per cent of those wools is grease, whereas the rags are shrunk, they are clean rags, there is no grease in them, and all that is necessary to do is to run them through a garnetting machine and they are as good as wool.

Mr. WALSH of Massachusetts. There has to be some labor performed.

Mr. SMOOT. It takes about one-quarter of a cent a pound.

Mr. WALSH of Massachusetts. But some labor must be expended.

Mr. SMOOT. Yes; it takes about one-quarter of a cent a pound to run them through the garnetting machine.

Mr. GEORGE. Mr. President, I wish to put in the RECORD a table showing the quantity, the percentage of raw materials used by the manufacturers of woolen goods and by the manufacturers of worsted, and the total used in both industries. I think Senators will find it a very illuminating table.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table is as follows:

WOOLEN GOODS: QUANTITY AND PERCENTAGES OF RAW MATERIALS USED

	Pounds				Percentages			
	1914	1919	1925	1927	1914	1919	1925	1927
Wool, in scoured condition.....	58,693,405	86,547,717	118,802,222	105,996,914	26.51	37.43	39.65	41.02
Animal hair <sup>1</sup> .....	16,199,052	12,613,937	6,528,062	5,562,406	7.31	5.45	2.18	2.15
Cotton.....	23,915,496	14,628,920	20,352,012	18,556,159	10.80	6.33	6.79	7.18
Rags, clippings, etc.....	58,745,394	45,753,399	69,985,552	56,690,108	26.54	19.79	23.36	21.94
Recovered wool fiber.....	25,060,307	31,416,145	33,939,855	23,899,282	11.73	13.59	11.35	9.25
Waste and noils.....	37,881,087	40,260,627	50,020,984	47,710,544	17.11	17.41	16.69	18.46
Total raw materials <sup>2</sup> .....	221,394,941	231,221,745	299,628,687	258,415,413	100.00	100.00	100.00	100.00

<sup>1</sup> Includes camel, alpaca, vicuna, and other animal hair.

<sup>2</sup> Does not include tops or yarns purchased.

## WORSTED GOODS: QUANTITY AND PERCENTAGES OF RAW MATERIALS USED

	Pounds				Percentages			
	1914	1919	1925	1927	1914	1919	1925	1927
Wool, in scoured condition.....	198,755,341	177,288,745	159,031,604	131,503,133	89.66	87.93	82.67	81.46
Animal hair <sup>1</sup> .....	12,921,907	15,667,157	20,631,472	20,440,807	3.83	7.77	10.72	12.66
Cotton.....	4,471,528	2,745,483	6,206,075	4,290,046	2.02	1.36	3.23	2.66
Rags, clippings, etc.....	679,555	699,710	2,037,306	263,967	.31	.35	1.06	.16
Recovered wool fiber.....	316,617	1,747,551	608,400	687,647	.14	.87	.32	.41
Waste and noils.....	4,530,787	3,477,614	3,861,327	4,277,911	2.04	1.72	2.00	2.65
Total raw materials <sup>2</sup> .....	221,673,733	201,626,260	192,376,184	161,443,511	100.00	100.00	100.00	100.00

## TOTAL WOOLEN AND WORSTED GOODS: QUANTITIES AND PERCENTAGES OF RAW MATERIALS USED

Wool, in scoured condition.....	257,448,746	263,836,462	277,833,826	237,500,047	58.11	60.95	56.47	56.57
Animal hair <sup>1</sup> .....	29,120,959	28,281,094	27,159,534	26,003,213	6.57	6.53	5.52	6.19
Cotton.....	28,387,022	17,375,403	26,558,087	22,846,205	6.41	4.02	5.40	5.44
Rags, clippings, etc.....	59,425,149	46,453,109	72,022,858	56,954,075	13.41	10.73	14.64	13.57
Recovered wool fiber.....	26,276,924	33,163,696	34,548,255	24,566,929	5.93	7.66	7.02	5.85
Waste and noils.....	42,411,874	43,738,241	53,882,311	61,988,455	9.57	10.11	10.95	12.38
Total raw materials <sup>2</sup> .....	443,070,674	432,848,005	492,004,871	419,858,924	100.00	100.00	100.00	100.00

<sup>1</sup> Includes camel, alpaca, vicuna, and other animal hair.<sup>2</sup> Does not include tops or yarns purchased.

Mr. GEORGE. Now, Mr. President, I wish to offer for the RECORD a photostatic copy of wool index numbers as compiled by the Textile World, of New York. For the accuracy of the figures, of course, I do not vouch, but I presume that they are within the neighborhood of the facts.

In the table July 31, 1914, is taken as the base, and proceeding from that base, with the index number 100, the prices of wool, woolen tops, yarns, cloths, and then the group average is given for the key months from 1914 down to and including September, 1929.

The price of wool in 1919, for instance, was 272 as against the index number 100; the price of tops was 296 as against 100 in 1914; the price of yarns was 290 as against 100; the price of cloth was 237 as against 100 in 1914. In September, 1929, the number for wool was 168; the number for tops was 173; the number for yarn was 188; the number for cloth was 211; and the group average was 195, which was almost double the base value of 1914.

No other great farm product presents any such picture, and if there is not prosperity among the woolgrowers the fault is not in the tariff; the fault lies elsewhere, and we can not remedy the situation by merely increasing the tariff duties.

Here are the index numbers; here is the relationship between the price of wool and of tops and of yarns and of cloth. We do not have to speculate about it; here is what the trade tells us about it from 1914 down to this time, and, taking the industry as a whole, taking the group average in the wool industry, the number in September, 1929, was 195. Consult a wheat chart and see where the wheat farmer stands. Consult the cotton chart and see where the cotton farmer stands. We can not cure the ills of the cotton-textile industry by increased duties.

In wool and cotton we have an overproduction capacity, built up during the war; styles change and substitutes are introduced. Rayon and other substitutes have been brought in; and what is the result? There is some distress in the cotton-textile industry; there is distress in the woolen industry; there is some distress in the worsted industry; but we are not going to remedy it, in my opinion, by increasing the burdens of the people.

I want to say to my friend from Wyoming [Mr. KENDRICK], whose intelligent interest in the woolgrower is fully appreciated in this body, that if I believed for a moment that this increase from 31 to 34 cents a pound on the clean content of wool would materially help the woolgrowers, though relatively they are in much better shape than the great bulk of our farmers, I would vote with him; but believing as I do that it will not materially assist them, and reminded as I am that we must then in good conscience vote for increases on everything that Mr. Grundy makes and those who are associated with him in the worsted industry, and upon everything that is produced in the woolen industry, then I must say to the sheep growers of the West, "It does not seem the fair thing for you to ask, in my judgment; and you are asking everyone else in this country, including your fellow farmers, to take upon their shoulders far too great a weight in the way of increased burdens for the small possible profit that will inure to you."

The PRESIDING OFFICER. Without objection, the table referred to by the Senator from Georgia will be inserted in the RECORD.

The table is as follows:

Wool index numbers  
[Compiled by the Textile World, of New York]

Date	Wool	Tops	Yarns	Cloth	Group average
1914					
July 31.....	100	100	100	100	100
1919					
January.....	272	296	290	237	272
April.....	242	282	273	237	255
July.....	269	290	238	237	272
October.....	286	338	384	240	294
1920					
January.....	304	335	412	310	336
April.....	276	334	448	331	352
July.....	241	258	384	320	315
October.....	189	213	302	304	276
1921					
January.....	129	148	186	224	193
April.....	120	148	177	192	173
July.....	112	139	172	192	170
October.....	114	135	162	188	165
1922					
January.....	128	163	179	182	173
April.....	165	185	185	184	182
July.....	189	202	196	188	193
October.....	199	209	208	191	199
1923					
January.....	212	225	227	203	213
April.....	222	230	234	225	228
July.....	222	223	233	228	227
October.....	205	213	222	224	220
1924					
January.....	217	227	221	223	223
April.....	216	230	223	219	221
July.....	191	209	212	219	213
October.....	227	237	224	226	228
1925					
January.....	264	268	253	228	244
April.....	219	234	230	241	233
July.....	216	217	216	239	227
October.....	216	212	212	227	220
1926					
January.....	215	213	211	229	221
April.....	181	193	198	224	208
July.....	173	184	189	215	199
October.....	178	186	193	209	198
1927					
January.....	178	187	190	209	198
April.....	177	182	184	211	196
July.....	180	183	183	211	196
October.....	185	185	189	211	199
1928					
January.....	194	193	186	212	201
April.....	199	206	198	215	208
July.....	204	206	203	214	209
October.....	197	197	203	212	206
1929					
January.....	199	198	201	211	206
April.....	187	189	198	211	202
July.....	169	170	188	211	194
September.....	168	173	188	211	195



Mr. COPELAND. Mr. President, may I ask the Senator from Utah what his plan is? Is he hoping for a vote on this amendment now?

Mr. SMOOT. I thought the discussion was pretty well ended, and we could take a vote.

Mr. COPELAND. If the Senate is ready to vote, I have nothing to say; but I am satisfied that we ought not to stay in this atmosphere. There is a big fire in the neighborhood, and the air is full of smoke. We are going to have a fall of temperature to-night. This is no time to have irritated noses and throats; and we ought to get out of here and get into better air. If the Senate can have a vote I am willing to stay a little while, but not long.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. NORRIS. I call for the yeas and nays.

Mr. HARRISON. I ask unanimous consent that we vote on this amendment not later than 20 minutes to 5 o'clock.

The VICE PRESIDENT. What is the request of the Senator?

Mr. HARRISON. I will not insist on it, Mr. President. I wanted to say a few things, but let us vote now.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Several Senators called for the yeas and nays.

Mr. HARRISON. First, Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Frazier	Kendrick	Smoot
Ashurst	George	Keyes	Steinwer
Barkley	Gillett	La Follette	Stephens
Bingham	Glass	McCulloch	Swanson
Blaine	Glenn	McNary	Thomas, Idaho
Blaise	Goldsborough	Moses	Thomas, Okla.
Borah	Hale	Norbeck	Townsend
Bratton	Harris	Norris	Trammell
Brock	Harrison	Nye	Tydings
Broussard	Hastings	Oddie	Vandenberg
Capper	Hatfield	Overman	Wagner
Caraway	Hawes	Robinson, Ind.	Walcott
Connally	Hayden	Sackett	Walsh, Mass.
Copeland	Hebert	Schall	Walsh, Mont.
Couzens	Heflin	Sheppard	Waterman
Cutting	Howell	Shipstead	Wheeler
Dill	Johnson	Shortridge	
Fess	Jones	Simmons	
Fletcher	Kean	Smith	

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment of the committee.

Mr. HARRISON and other Senators called for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

Mr. HARRISON. Let the question be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 171, paragraph 1102, "Wools, not specially provided for, and hair of the Angora goat, Cashmere goat, alpaca, and other like animals, in the grease or washed," on line 21, it is proposed to strike out "34 cents" and insert "31 cents."

Mr. STEIWER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. STEIWER. Am I correct in my understanding that a vote "yea" means 31 cents, and a vote "nay" means 34 cents?

The VICE PRESIDENT. The Senator is correct. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a general pair with the Senator from Pennsylvania [Mr. REED], who is necessarily absent from the Chamber. I understand that if he were present he would vote as I intend to vote. I will therefore vote. I vote "nay."

Mr. FRAZIER (when Mr. BROOKHART's name was called). The junior Senator from Iowa [Mr. BROOKHART] is unavoidably absent. If he were present, he would vote "nay."

Mr. OVERMAN (when his name was called). I transfer the pair which I have with the senior Senator from Wyoming [Mr. WARREN] to the junior Senator from Utah [Mr. KING] and will vote. I vote "yea."

Mr. SMITH (when his name was called). I have a pair with the senior Senator from New Jersey [Mr. EDGE]. In his absence, not being able to secure a transfer, I withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. I am informed that if he were present he would

vote as I intend to vote. Therefore I am at liberty to vote. I vote "nay."

Mr. TYDINGS (when his name was called). On this question I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. As he would vote, if present, so I shall vote. I ask that my vote be recorded. I vote "yea."

The roll call was concluded.

Mr. SMITH. Mr. President, I want to inquire if the confirmation of Mr. EDGE this morning resulted in his seat being vacated?

The VICE PRESIDENT. It did not.

Mr. SMITH. Some one suggested that the confirmation obviated the necessity of his taking the oath here, and therefore that his seat was automatically vacated. I want to keep faith with the Senator, but do not want to do the vain thing of pairing with one who is no longer a Member of the Senate.

Mr. SHEPPARD. Mr. President, the senior Senator from Iowa [Mr. STECK] is necessarily detained from the Senate by his attendance in the committee of the Senate appointed to attend the funeral of the late Secretary of War, the Hon. James W. Good. The Senator from Iowa has a general pair with the Senator from Maine [Mr. GOULD]. I am not informed how either of the Senators would vote on this amendment.

Mr. WALSH of Montana. Mr. President, I inquire whether the Senator from South Carolina, after the statement made, has recorded his vote?

The VICE PRESIDENT. Did the Senator from South Carolina vote?

Mr. SMITH. I did not. The Chair ruled that the Senator from New Jersey is still a Member of the Senate.

Mr. WALSH of Montana. I inquire if the Vice President has made any inquiry into that matter?

The VICE PRESIDENT. The Vice President asked whether the Senator from New Jersey had either taken the oath of office as ambassador or had resigned from the Senate, and was advised that neither had been done. The Vice President is of the opinion that until the Senator takes the oath of office he remains a Member of the Senate, unless he resigns in the meantime.

Mr. WALSH of Montana. This is a very important matter. The Constitution expressly provides that—

No person holding any office under the United States shall be a Member of either House during his continuance in office.

I take it that these offices are regarded by the Constitution as inconsistent offices, and the acceptance of one necessarily operates to vacate the other.

The VICE PRESIDENT. The Chair has in mind the action of Senator Kenyon, of Iowa, when he was appointed a judge. He served in the Senate for some little time before he accepted the position as judge.

Mr. NORRIS. Unless the Senator from New Jersey has been sworn into his new office, there is no conflict.

The VICE PRESIDENT. That is the understanding of the Chair.

Mr. NORRIS. All that has gone on so far may have gone on without the knowledge or consent of the Senator from New Jersey.

Mr. BINGHAM. Mr. President, I am informed by the secretary of the Senator from New Jersey that it will be impossible to communicate with the Senator until 6 o'clock to-day. Therefore he has not learned what took place in the Senate this morning.

Mr. FESS. I desire to announce that the senior Senator from Indiana [Mr. WATSON] has a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I do not know how either Senator would vote if present and free to vote.

I also desire to announce that the Senator from Vermont [Mr. GREENE] and the Senator from Pennsylvania [Mr. REED] are necessarily absent. I am advised that if present these Senators would vote "nay."

Mr. SHEPPARD. I desire to announce that the junior Senator from Alabama [Mr. BLACK] has a pair with the senior Senator from West Virginia [Mr. GORF] on this question. If present, the junior Senator from Alabama would vote "yea," and the senior Senator from West Virginia would vote "nay."

Mr. BRATTON. I desire to announce that the Senator from Tennessee [Mr. McKELLAR] and the Senator from Nevada [Mr. PITTMAN] are detained on official business. If present, they would vote "nay."

Mr. GEORGE (after having voted in the affirmative). I have voted, but upon this matter I have a pair with the senior Senator from Colorado [Mr. PHIPPS]. I have been unable to obtain a transfer, and I therefore withdraw my vote.

Mr. SHEPPARD. I desire to announce that the junior Senator from Utah [Mr. KING] is detained from the Senate on account of illness.

Mr. WALSH of Montana. On this question I am paired with the Senator from Nevada [Mr. PITTMAN]. If at liberty to vote, I would vote "nay," and the Senator from Nevada [Mr. PITTMAN] would vote "yea."

The result was announced—yeas 25, nays 44, as follows:

YEAS—25			
Barkley	Fletcher	Keyes	Trammell
Bingham	Glass	Norris	Tydings
Blease	Hale	Overman	Wagner
Brock	Harris	Simmons	Walsh, Mass.
Caraway	Harrison	Stephens	
Copeland	Hawes	Swanson	
Couzens	Heflin	Thomas, Okla.	

NAYS—44			
Allen	Frazier	Kean	Schall
Ashurst	Gillett	Kendrick	Sheppard
Blaine	Glenn	La Follette	Shipstead
Borah	Goldsborough	McCulloch	Shortridge
Bratton	Hastings	McNary	Steiner
Broussard	Hatfield	Moses	Thomas, Idaho
Capper	Hayden	Norbeck	Townsend
Connally	Hebert	Nye	Vandenberg
Cutting	Howell	Oddie	Walcott
Dill	Johnson	Robinson, Ind.	Waterman
Fess	Jones	Sackett	Wheeler

NOT VOTING—26			
Black	Gould	Phipps	Smoot
Brookhart	Greene	Pine	Steck
Dale	King	Pittman	Walsh, Mont.
Deneen	McKellar	Ransdell	Warren
Edge	McMaster	Reed	Watson
George	Metcalf	Robinson, Ark.	
Goff	Patterson	Smith	

So the amendment of the committee was rejected.

#### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate sundry executive messages from the President of the United States, which were referred to the appropriate committees.

#### RECESS

Mr. COPELAND. Mr. President, a few moments ago I called attention to the atmosphere of the Senate Chamber. I am so hoarse myself that I can hardly speak. There is a big fire in the neighborhood and the Senate Chamber is full of smoke, which is irritating to the bronchial tubes of our colleagues. Therefore I am going to move that the Senate take a recess, and I hope that when we do take the recess every Senator will leave Capitol Hill and go where the air is better.

I move that the Senate take a recess until to-morrow morning at 10 o'clock.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) took a recess until to-morrow, Friday, November 22, 1929, at 10 o'clock a. m.

#### NOMINATIONS

*Executive nominations received by the Senate November 21 (legislative day of October 30), 1929*

##### AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

WALTER E. EDGE, of New Jersey, to be ambassador extraordinary and plenipotentiary of the United States of America to France.

##### CONSUL

Henry Carter, of Massachusetts, now a Foreign Service officer of class 5 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

##### ASSAYER OF THE MINT

Chester W. Ziegler, of Lansdowne, Pa., to be assayer of the mint of the United States at Philadelphia, Pa., in place of Jacob B. Eckfeldt, resigned.

##### MEMBER OF THE CALIFORNIA DÉBRIS COMMISSION

Lieut. Col. Thomas M. Robins, Corps of Engineers, United States Army, for appointment as a member of the California Débris Commission provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California," vice Lieut. Col. J. Franklin Bell, Corps of Engineers, United States Army, relieved.

##### PROMOTIONS IN THE NAVY

Lieut. Commander Frederick C. Sherman to be a commander in the Navy from the 8th day of November, 1929.

Lieut. (Junior Grade) Edward B. Arroyo to be a lieutenant in the Navy from the 1st day of October, 1929.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 3d day of June, 1929:

James M. Lane.  
Jared A. Mason.  
Benjamin F. Thompkins.

#### CONFIRMATION

*Executive nomination confirmed by the Senate November 21 (legislative day of October 30), 1929*

##### AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

WALTER E. EDGE, to France.

#### HOUSE OF REPRESENTATIVES

THURSDAY, November 21, 1929

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thy name, O Lord God, abides; it is eternal. The angels and the archangels and all the hosts of heaven and earth unite in praises to Thy name in the thrice holy chorus: "Holy! Holy! Holy! Lord God Almighty!" O teach us through this song how to find wisdom in ignorance, strength in weakness, rest in sorrow, and light in darkness. Before Thee we confess our failures and our sins. O blessed hope, sweet comfort, and peace beyond understanding. We praise Him through whose dying love and blissful presence we are enabled to trust truth, purity, integrity, and benevolence. Through the Christ these are the abiding realities of life. Amen.

The Journal of the proceedings of November 18, 1929, was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1909. An act to extend the times for commencing and completing the construction of the bridge across the Rio Grande at or near Weslaco, Tex.;

S. J. Res. 82. Joint resolution authorizing the payment of salaries of the officers and employees of Congress for November, 1929, on the 27th day of that month; and

S. Con. Res. 19. Concurrent resolution providing for the adjournment of the present session of Congress on November 22, 1929.

The message also announced that the Vice President had appointed Mr. SMOOT and Mr. SIMMONS members of the special joint committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Treasury Department.

The message also announced that the Vice President had appointed Mr. PHIPPS and Mr. MCKELLAR members of the special joint committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Post Office Department.

#### SWEARING IN OF MEMBERS

Mr. PEAVEY and Mr. GAVAGAN appeared at the bar of the House and took the oath of office.

#### PAY OF PAGES

Mr. WOOD. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 130, which I send to the desk and ask to have read.

The Clerk read as follows:

##### House Joint Resolution 130

Joint resolution to provide for the compensation of page boys of the Senate and House of Representatives during the entire month of November, 1929

*Resolved, etc.*, That the indefinite appropriations for the pay of pages for the Senate and House of Representatives, respectively, contained in the act entitled "An act making appropriations for certain expenses of the legislative branch incident to the first session of the Seventy-first Congress," approved April 26, 1929, are hereby extended to cover the compensation of such pages at the numbers and rates of pay provided therein for the entire month of November, 1929.

The SPEAKER. Is there objection to the present consideration of House Joint Resolution 130?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the joint resolution was passed was laid on the table.